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April 1996

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Daily Report
Central Eurasia

FBIS-SOV-96-064 *2 April 1996*

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Russia: Yeltsin Chechnya Plan Said To Contain Confidential Points

MK0204110696 Moscow NEZAVISIMAYA GAZETA in Russian 2 Apr 96 pp 1,3

[Commentary by Natalya Konstantinova under the general headline: "Presidential Plan To Stop War in Chechnya Goes Into Effect. Indisputable Nature of Some of Its Points Does Not Guarantee Achievement of Desired Goal"]

[FBIS Translated Text] The address made by Boris Yeltsin on the evening of 31 March outlined only the key points of the plan approved by the latest Security Council meeting, based on the results of work done by the commissions led by Chernomyrdin and Pain; it also incorporated additional materials drawn up by experts in the presidential aides' service.

Owing to the confidential nature of some of its provisions and due to the fact that in its expanded form the plan outlines possible options of political compromises, its full text could not have been published.

As we know, the main components of the presidential plan are three provisions marking the beginning of a transition period in relations between Chechnya and Russia. Theoretically, they are demilitarization, the calling of a forum of the people's representatives of Chechnya, and an amnesty, which does not apply to persons who have committed grievous crimes. In addition, the plan calls for the creation of a special state commission under Viktor Chernomyrdin, which will assume complete powers in both the negotiating process and the control over a stage-by-stage withdrawal of Russian troops, the receipt of funds for rebuilding the republic, and other day-to-day matters.

Your NEZAVISIMAYA GAZETA correspondent has learned from well-informed sources that the State Commission for a Settlement of the Situation in Chechnya will include all political forces — from the Communists to "Yabloko" — and that the positions of deputies to the commission chairmen will most likely be offered to the speakers of the houses of the Russian parliament, Yegor Stroyev and Gennadiy Seleznev.

As for demilitarization, it will consist of several measures.

The first one is talks, which, the men in the Kremlin think, should be conducted with those who are waging war on Russia. Those acting as mediators could be some leaders of independent states or Tatarstan President Shaymiyev and Ingushetia President Aushev. According to some information, the most likely figure could be Kazakhstani President Nursultan Nazarbayev, but these are only conjectures. The commission of First Deputy Premier Oleg Soskovets ceases to exist, having fulfilled its functions, and the plan provides for a procedure to receive financial resources sent to Chechnya under the supervision of a newly created commission.

The second set of measures conventionally called "demilitarization" provide for various forms of neutralizing Dudayev's armed forces. They consist of surrendering arms, but mostly — considering the acuteness of the situation and the mountain people's mentality — of the nonuse of arms by the Chechens. The stake in this case will be on that part of the armed opposition which, while supporting Dudayev, condemns all forms of terror. The Russian side may be able to find the right approach to these people.

As for the forum of people's representatives, the Russian authorities think that the calling of Chechnya's national assembly should be started right away. As many political and public forces of the republic as possible should be involved in the dialogue. Holding such elections in a region which is in effect under martial law could be difficult owing to a whole range of factors, including Dudayev's reaction to both Boris Yeltsin's address and the promulgation of his plan. There is information that Dzhokhar Dudayev has prepared his own plan in response to Boris Yeltsin's. At any rate reports coming in to Moscow speak of launching terrorist activities outside Chechnya. Nevertheless, the Russian side, sources in the Kremlin have said, holds the view that there is no other way but talks.

An important part of the Russian stance is that the Chechens will themselves decide on electing their own leader.

I cannot help mentioning Doku Zavgayev, who, according to Moscow, represents in Chechnya today a legitimately elected authority. The Russian leadership thinks that he has at the moment all the necessary levers, including economic ones, in order to influence the commission's work, especially since he has the powers to do so as a Federation Council member.

Thus, the plan can be recognized as being rather flexible and specific enough as regards both the Dudayevites and the critics of the president in Moscow, who have already voiced their negative view of Boris Yeltsin's address. By the way, the birth of the plan was not a simple matter, because there was no single view among most of its developers. But this is not the reason why the plan remained unpublished for so long. Observers think that it came to light precisely when general political and military fatigue ensued.

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Russia: Emil Pain Discusses Yeltsin's Chechnya Peace Plan

MM0104185596 Moscow ROSSIYSKIYE VESTI in Russian 2 Apr 96 p 1

[Unattributed report on interview with Emil Pain, member of the Russian Presidential Council, by unidentified ROSSIYSKIYE VESTI correspondent, under the "Political Expert's Opinion" rubric; place, date not given: "Demilitarization, Forum, Amnesty"]

[FBIS Translated Text] Even though the program for the settlement of the crisis in Chechnya unveiled by Russian Federation President Boris Yeltsin contains many points, Presidential Council Member Emil Pain believes that it contains three key principles — the demilitarization of Chechnya, the formation of a Forum of Representatives of the People of the Republic, and an amnesty for participants in the combat actions.

As Emil Pain said in conversation with your ROSSIYSKIYE VESTI correspondent, the phased withdrawal [vyvod] of the federal forces from Chechnya is not a unilateral retreat [ukhod] of troops across the republic's administrative border. It is closely linked with the neutralization of the illegal armed formations, that is, with the broad demilitarization of Chechnya. Furthermore the surrender of weapons is just one element in this demilitarization. It is preferable to hold talks on the package of military questions with forces which really control the Chechen armed formations.

"The plan for the settlement of the Chechen crisis," Emil Pain stressed, "is designed to involve the broadest possible range of political forces in the talks and is not restricted to an intra-Chechen dialogue in its present form. The cornerstone of such a dialogue should be the Forum whose formation will be based on the village. The forum will determine the composition of the official representatives of the people of Chechnya for talks on this mountain republic's status."

The amnesty for the gunmen is the most complex question but it falls within the competence of the State Duma. The State Duma's decision on this matter will be final. There is a purpose to Boris Yeltsin's proposal to amnesty certain Dudayev supporters — it is to separate the opponents of the federal center from the terrorists by providing the former with a way to leave the war "without loss of face."

Great importance is attached to the activity of the state commission for monitoring the settlement of the situation in Chechnya which henceforth assumes the powers of all the commissions on this mountain republic. Viktor Chernomyrdin has been appointed commission chairman.

How has Dzhokhar Dudayev reacted to Boris Yeltsin's speech Sunday? According to the initial information from Chechnya it has emerged that he has responded by preparing a plan to step up terrorist activity outside the republic. That "response" will be the general-cum-president's final downfall.

The program for the settlement of the crisis in Chechnya proposed by Boris Yeltsin immediately met with criticism from virtually all the rivals for the Russian Federation presidency. Their main argument is that the appeal does not contain a specific plan. Such "naivety" on the part of the head of state's rivals is surprising. Even someone far removed from politics realizes that this program is the conceptual element of the plan, its main core components, whereas the plan itself is a state secret. This is not being done to spite anyone — what are being kept secret are the forms of political pressure or the concessions which will help to achieve the set aim.

Russia: Yavlinskiy Reacts to Yeltsin's Statement on Chechnya

LD0104164196 Moscow Mayak Radio Network in Russian 1535 GMT 1 Apr 96

[FBIS Translated Text] Mayak continues to receive reactions from Russian politicians to our president's statement on Chechnya.

Here is what Yabloko leader Grigoriy Yavlinskiy told us on the telephone:

[begin Yavlinskiy recording] The plan put forward by President Yeltsin looks like a set of promises and, in essence, this is what it is — a promise. The point is that it is necessary to know the views of the Russian military in Chechnya in order to be able to discuss this plan in more specific terms.

General Vyacheslav Tikhomirov's statement that the Russian military is not ready to end the war in the manner prescribed by the president means that these promises have been ill-prepared.

Second, it is also necessary to know what the Chechen people think of this plan.

Taking account of the views of the federal troops, the generals, and the Chechens themselves, one cannot but conclude that these are just words, rather than actions. There is a world of difference between what is currently taking place in Chechnya and what Boris Nikolayevich said. It is a very important aspect of the situation.

It should also be added that what Boris Nikolayevich Yeltsin said had already been suggested many times before and should, perhaps, have been implemented

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earlier, a year and a half ago. In other words, we will now have to monitor closely the extent to which Boris Nikolayevich's promises can be implemented and the extent to which Chechnya intends to comply with them. [end recording]

Russia: Minister Mikhaylov Views Chechnya Settlement Prospects

MM0104184796 Moscow ROSSIYSKIYE VESTI in Russian 2 Apr 96 p 1

[Interview with Vyacheslav Mikhaylov, Russian minister of nationalities affairs and federal relations, by unidentified RIA NOVOSTI correspondent, under the "Minister's Opinion" rubric; place, date not given: "Elections to Chechen Parliament Could Happen as Early as Summer"]

[FBIS Translated Text] In conversation with a RIA NOVOSTI observer, Vyacheslav Mikhaylov, Russian Federation minister for nationalities affairs and federal relations, stated that a federal law on Chechnya's status within the Russian Federation should be adopted as soon as possible. This possibility, he said, is provided by Point 5 of Article 66 of the Russian Constitution. Many characteristics of Chechnya's special status have already been taken into account in the agreement signed by Chernomyrdin, Lobov, and Zavgayev in summer.

[RIA NOVOSTI Correspondent] What is the essence of Chechnya's special status within the Russian Federation?

[Mikhaylov] This republic could participate autonomously in international life and be able to conduct foreign economic activity. The federal law, it seems to me, must also take the fullest possible account of Chechnya's national and religious characteristics.

[RIA NOVOSTI Correspondent] Now for the question of an amnesty for the armed Chechen formations. Will it affect people with a criminal past and Dudayev himself?

[Mikhaylov] The president spoke about that plainly in his television address. The amnesty could apply to all participants in the illegal Chechen formations except for those with a criminal record. There is already a certain degree of experience in this regard. It includes the president's edict granting the necessary powers to Zavgayev, the head of the republic, and the legislative act of the State Duma adopted for the release from captivity of the Novosibirsk OMON [Special Purpose Police Detachment] staffers.

As for Dzhokhar Dudayev, here I believe everything depends on the specific situation and his desire to take the necessary steps toward peace.

[RIA NOVOSTI Correspondent] Chechnya does not have fully legitimate organs of power now. For example, the head of the republic has been elected but there is no parliament. When could elections to the Chechen Republic's legislative organ be held?

[Mikhaylov] The president's speech paves the way to elections. Here too, however, everything depends on the specific situation. If all goes according to the plan adopted by the Russian Security Council and signed by the president, the elections to the republic's People's Assembly could be held as early as this summer. With the participation of all political forces, of course, including Dudayev's supporters. But before that a special commission headed by Premier Chernomyrdin operating on the president's instructions will prepare the text of the treaty on the separation of powers between the federal and republic authorities.

[RIA NOVOSTI Correspondent] What is your general comment on President Yeltsin's television speech?

[Mikhaylov] The president's plan for a peace settlement in Chechnya is a very specific action plan which offers the broadest opportunities. The most important point is that it envisages a real implementation mechanism. All that is needed is the good will of the partners.

Russia: General Semenov Cited on Chechnya Plan's Military Aspects

MM0104185996 Moscow IZVESTIYA in Russian 2 Apr 96 p 1

[Report by Viktor Litovkin: "Planning the Troop Withdrawal from Chechnya Alone Will Take at Least One Month"]

[FBIS Translated Text] "The federal troops on Chechen territory ceased all military operations as of 0000 hours 1 April by order of the president," Colonel General Vladimir Semenov, commander in chief of the Russian Ground Forces, told your IZVESTIYA correspondent.

We support Boris Yeltsin's peace initiatives and intend to implement them steadfastly, the general said. At the same time he noted that the war can hardly be stopped in 24 hours. The order to terminate general troop operations applies only to the regular troops, the Dudayevites might not observe it and then there will be no alternative but to respond to fire with fire designed to crush the intransigents' weapon positions.

The withdrawal is very difficult work, the commander in chief noted. There are units and subunits in Chechnya from the most diverse military districts of Russia. Their redeployment to their permanent location will require trains, transport planes, and major financial resources.

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According to Gen. Semenov, the planning of this operation will take at least one month even with the most favorable conditions.

Only the 58th Army's 205th Motorized Rifle Brigade will stay in Chechnya on a permanent basis, as envisaged by the bilateral agreement signed last year. Together with all its authorized means of reinforcement it will remain where it is deployed now: in the area of the Severnyy and Khankala airports and in the Shali area. Our detailed proposals on this question have been conveyed to the Russian Federation Armed Forces General Staff, the commander in chief said. (The plan at the moment is to deploy a brigade of Russian Ministry of Internal Affairs Internal Troops near the Severnyy airport and in Groznyy's No. 15 settlement — V.L. note).

Russia: Yeltsin Aide Does Not Rule Out Amnesty for Dudayev

LD0104190996 Moscow ITAR-TASS in English 1854 GMT 1 Apr 96

[By Andrey Surzhanskiy]

[FBIS Transcribed Text] MOSCOW, April 1 (Itar-Tass) — Russian presidential legal adviser Mikhail Krasnov on Monday did not rule out an amnesty for Chechen rebel leader Dzhokhar Dudayev along with war participants not guilty of major crimes. As of today, Dudayev is wanted for criminal charges.

President Boris Yeltsin's programme for Chechnya provides "legal opportunities for relieving Dzhokhar Dudayev of criminal liability and having him amnestied," Krasnov said referring to the peace plan Yeltsin voiced up on Sunday night on national television and described in much greater detail on Monday.

The major points of the plan were a halt to federal fire in Chechnya and phased troops' withdrawal from the autonomy. Also, Yeltsin said he would ask the lower house to consider the "grand amnesty" for rebels who did not commit serious crimes.

First, Dudayev may become subject to such amnesty if the Duma is to announce it, Krasnov said. Second, his case can be closed on the grounds to which Article 6 of the Code of Criminal Procedure refers as "changed circumstances."

At the same time, "much will depend on Dudayev's stance, on his will to compromise," the aide stressed. The very fact that the amnesty is possible should "give him more confidence that nobody is going to lure him into trap," he said.

Krasnov declined to specify what legal status Chechnya may expect to obtain, as "this very issue will be the subject of the talks and the core of the whole peace process."

Russia: Primakov Hopes for Peaceful Solution in Chechnya

LD0104185996 Moscow INTERFAX in English 1604 GMT 1 Apr 96

[From the "Diplomatic Panorama" feature]

[FBIS Transcribed Text] DELHI, March 30 (Interfax) — Russia supports a peace settlement in Chechnya, but not at the expense of its secession, Russian Foreign Minister Yevgeniy Primakov told a press conference in Delhi Saturday.

Russia's territorial integrity as well as that of other states, including India, is "the unconditional priority," Primakov stated. As for the use of force by federal troops in Chechnya, it was prompted by terrorist attacks committed by Chechen separatists, he said.

Primakov hoped that a peaceful solution to the Chechnya conflict will be found.

Speaking on the economic situation in Russia, Primakov said "there is light at the end of the tunnel, but certain elements of the crisis still remain in the economy." The transition from centralized planning to a market economy within such a short time is difficult, he said. "In the past, we have objective problems and subjective errors, but there are all reasons to believe that Russia will have an economic recovery within the next year or two," he said.

Russia: Chernomyrdin Comments on Peace, Economy in Chechnya

LD0104223896 Moscow Russian Public Television First Channel Network in Russian 1700 GMT 1 Apr 96

[From the "Vremya" newscast]

[FBIS Translated Text] One of the important elements of the presidential program is the creation of a state commission on a peaceful settlement in Chechnya, to be headed by the Russian prime minister. Today Viktor Chernomyrdin told our program what the commission will do. [video shows Chernomyrdin addressing interviewer]

[begin Chernomyrdin recording] The president has empowered the state commission to do everything to monitor what instructions have been given, what has been done, what has not, why not, and, most importantly, to coordinate all political, military, and economic issues, as well as those connected with restoration work.

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I am not in favor of commissions deciding everything — let us say it is not in my nature. The commission will instruct everyone to deal with their own business. Some are to do so at a federal level — the federal ministries and also my deputies. The heads of our chambers will also be included — by that I mean both the heads of the State Duma and their representatives and the Federation Council with a representative. That is, it is a state commission that will both monitor and continue to implement the measures identified by the president, which he has spoken about. Bearing in mind that there is now a legal government in the Chechen Republic, the government will be responsible for carrying out many functions. Everyone will be involved, because this work currently demands special attention. [end recording]

Clearly the commission will tackle economic and financial matters first and foremost. Of course, financing is a complex matter and, at first sight, it seems that budget expenditures of all kinds are disappearing down a black hole. Some critics say that much of the money will never be seen again. We asked Russian Federation Finance Minister Vladimir Panskov to comment on the situation surrounding the financing of Chechnya after the declaration of a cease-fire there and the start of a new time of peace.

As we learned, the Russian Government is allocating funds for two purposes. On the one hand, budgetary money is going to the Zavgayev government for various kinds of benefits, wages, and pensions. Here everything is in order. However, as far as the restoration of Chechnya's war-torn economy is concerned:

[begin recording] [Panskov] Here the money is being scattered among numerous ministries and departments. Here various violations and abuses are possible, since often a single ministry, department, or organization acts as both customer and contractor. In conditions of war, what that means is you build, accept, and immediately write off a building on the grounds that it is destroyed, and so on. So the president has now instructed the government to draw up a mechanism that will radically change that situation.

What can be done here is to hand over all the resources to Zavgayev's government so that it can both receive the money and place the orders. On the other hand, the federal treasury must be strengthened on the territory of the republic so that money goes directly to the Zavgayev government via federal treasury bodies. Central Bank branches must also be set up there.

[Chernomyrdin] The money that has been sent in the last days of March, how can I put it, is on the way. It should be received today, tomorrow, or on 3 April. That is, it should all reach its destination this week.

We have not only settled the budget. We have also, at the president's decision, granted loans to our regions so that they too can settle their debts, first and foremost, to public sector organizations here, in the provinces. Our public sector organizations are financed by two sources. It does not matter to the people what the source is. For the teacher, the doctor, or the serviceman, what matters is to get paid on time. Every day monitoring is taking place. Every day work is being carried out with the regions to ensure that there are no hold-ups. That cannot be allowed. [end recording]

Russia: Chechen Vice Premier Sagayev Cited on Pullout, Elections

MM0204103596 Moscow IZVESTIYA in Russian 2 Apr 96 pp 1-2

[Report by Yelena Yakovleva: "If You Want Peace, Build Reinforcements"]

[FBIS Translated Excerpt] Groznyy — Russian President Boris Yeltsin's statement that his promised program for settling the crisis in the Chechen Republic has been adopted after numerous passages through the Security Council has basically met with support in Groznyy. [passage omitted]

Chechen Republic Vice Premier Vakha Sagayev told IZVESTIYA that the government supports the withdrawal of federal troops from Chechen territory, since this will turn the conflict into an intra-Chechen dialogue. As for talks with Dudayev through intermediaries, I do not understand that, Vakha Sagayev said. Dudayev is a man against whom criminal proceedings have been instituted. By that logic we ought to recognize the elections for the president and parliament of Ichkeria as legitimate, restore their legitimacy, and only then start talks with Dudayev.... There should be parliamentary elections in Chechnya, but in no event should they coincide with the Russian presidential election, Vakha Sagayev believes. That would be a huge psychological mistake.

Draft laws on the elections have already been drawn up, he said. They need to be ratified at a Supreme Council session, and only then can the election date be set. It could be held in May or June, but the best-case scenario, I reiterate, would be after the Russian presidential election.

Active construction is under way around the MVD [Ministry of Internal Affairs] and Federal Security Service buildings, and defensive installations of cinder blocks are being built. When I asked why, the MVD told me three days ago that troop units were expected to be withdrawn, and this would reduce the security of these structures.

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You are expecting peace, but building defensive reinforcements?

The most important question, and the one which most locals are asking (both in government corridors and in the streets) is — will the announced program really put a stop to the war in the near future or is it just another political declaration and demonstration of the Russian president's good intentions on the eve of an election?

The answer will depend on how the program is implemented.

"We have fought the war badly, and peace is more complicated than war," many officers admit.

Here is an example of the way peace has been unsuccessfully established in one Chechen village — one of the "peace zones" that the president spoke of. Katyr-Yurt, a village of 10,000 souls, signed a peace agreement the other day with a nearby military unit and the Chechen Republic Government, but it was bombed four days later. Several homes were destroyed and the Khazheteriyev family and their guest — nine people in all — were killed.

Lecha Mukayev, spokesman for the inhabitants of Katyr-Yurt (he actually lives in Groznyy, but was born in that village and has helped the government and the military build bridges to the community), told us that last year the village was one of the first in the area to sign a peace agreement. But then another military unit was deployed there. The combined unit left, and the written agreement with it...lapsed.

Does a different military unit mean a different kind of peace?

The military have stated that the bombing was due to a technical error. Does that make it any easier?

How can we talk of peace in Katyr-Yurt after this bombing?

Russia: Fighting Continues in Chechnya Despite Cease-Fire

AU0204084696 Paris AFP in English 0807 GMT 2 Apr 96

[By Nikolai Topouria]

[FBIS Transcribed Text] Vedeno, Russia, April 2 (AFP) — Chechen civilians were driven from their homes early Tuesday by renewed fighting, despite a unilateral ceasefire declared Sunday by Russian President Boris Yeltsin.

An AFP correspondent saw six busloads of refugees fleeing Dargo, one of several mountain villages in southeastern Chechnya targeted by Russian forces.

"Look at us. Look what kind of terrorists we are," said a 54-year-old woman called Malika.

"This is what they call ending the war. You should see what they have done to our homes," she said.

One of the bus drivers, Said Tsakayev, said Russian forces seized the high ground above the village of Benoi overnight and were digging trenches there.

The new Russian positions left the villages below prone to Russian shelling, he said.

Airstrikes and artillery attacks could be heard in the region throughout the night.

Movladi Udugov, spokesman for Chechen separatist leader Dzhokhar Dudayev, told AFP he had been in radio contact with rebel commanders throughout the republic who said air strikes also took place overnight in the western rebel strongholds of Stary Achkhoi, Orekhovo and Bamut.

In the east he said the Russians had launched an all-out assault with three armoured columns, each of 300-500 tanks, plus aviation.

"See for yourself Yeltsin's plan for a ceasefire. Either he is trying to fool the world community or else he has lost control of the army," Udugov said.

"Perhaps (Russian military commander Vyacheslav) Tikhomirov just doesn't have a television. Such things happen," he said.

Udugov described the latest Russian attack in the south-eastern mountains as "one of their bravest yet," saying the troops continued to advance despite sustaining heavy losses.

"This week we destroyed 150 armoured vehicles and tanks," he said.

He said that the separatists' chief military commander Aslan Maskhadov was meeting field commanders to discuss a plan for a counter-attack.

Separatist leader Dzhokhar Dudayev was also meeting with his advisors to discuss a response to Yeltsin's peace plan, which opened the door to possible talks, Udugov said.

Yeltsin's ceasefire did apparently lead to an end to the fierce Russian bombardments of lowland villages, such as Goyskoye, which had continued for the past month.

Such attacks, especially one which left dozens of civilians dead in the village of Samashki, were condemned by the Organisation for Security and Cooperation in Europe (OSCE), which mediated in Russian-Chechen peace talks last year.

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But Tikhomirov said that the ceasefire orders did not exclude continued attacks on the rebels' main bases, presumably meaning the mountain strongholds.

Russia: Issue of Chechnya's Postwar Status Viewed

MM0204113096 Moscow IZVESTIYA in Russian 2 Apr 96 p 1

[Report by Boris Vinogradov: "On the Path to Chechnya's Status, It Must Be Clarified Who Dudayev Is and What Is To Be Done With Zavgayev"]

[FBIS Translated Text] Boris Yeltsin has called the determination of the political status of the Chechen Republic the "most important question" in the whole problem.

As we were told by the legal administration of the president's apparatus, the draft treaty contains provisions which on the one hand make it possible to keep Chechnya within Russia, and on the other hand give the republic greater sovereignty than even Tatarstan has.

On 1 April Boris Yeltsin signed an edict entitled "Program for the Settlement of the Crisis in the Chechen Republic." This instructs the government to submit to the State Duma a draft law on amending Article 66 of the Russian Constitution, which deals with the terms for revising the status of a Federation component. Evidently there is an urgent need for such a law.

Is Moscow confident that the future elected parliament of Chechnya will not ask for so many powers as to verge on separation?

As guarantor of Russia's territorial integrity, the president is now restricted by the Constitution in his possibilities, and cannot promise Chechnya autonomy which would go beyond the framework of the Basic Law. Therefore Boris Yeltsin is resolutely rejecting Dudayev's formula of "a free Chechnya not within Russia."

There is also the problem of Dzhokhar Dudayev's legal status. Who is he now? The 1991 USSR Congress of People's Deputies did not recognize his authority, and his powers as president of Chechnya expired in October of last year. Moscow has to sort out his status, and, obviously, recognize that he has a wider function than just a "political figure" with a certain prestige and military might. All the indications are that the present political leaders in Groznyy are just as extremist on the question of the republic's political future as Dudayev himself is. They are insisting on international guarantees of independence, and representation in the United Nations, the OSCE [Organization for Security and Cooperation in Europe], and other organizations.

It is no longer all that important whether we are part of Russia or not, one of them said. The Chechen people, who have survived two deportations, genetically no longer believe the state as such, or the center's laws and promises. We will not haggle when it comes to questions of national interests. Heated discussions on this topic lie ahead.

It is not by chance that great hopes are being pinned on the forum of the Chechen people. Only there will it be possible to determine more or less accurately the disposition of forces in Chechen society and people's moods.

While the Dudayevites are continuing to shoot, it is only possible to speak hypothetically about future prospects. The elections should give Chechnya legal authorities in the form of a parliament and cabinet of ministers headed by a premier. They will be able to start a businesslike discussion with Russia about conditions for future existence. Experts in the Security Council were unable to elucidate whether Doku Zavgayev will remain head of the republic following the elections.

Russia: Dudayev Supply Routes, Threat to Moscow Viewed

MM0104110696 Moscow IZVESTIYA in Russian 27 Mar 96 pp 1,5

[Report by Vadim Belykh: "Chechen Transit, or Who Is Preventing Dudayev's Secret Paths from Being Blocked?"]

[FBIS Translated Text] In recent months four special forces groups sent to Chechnya to find and if possible eliminate Dudayev have been destroyed by gunmen, without even beginning to carry out their assignment. Not once in nearly 18 months of war have Chechen gunmen experienced any shortage of armaments, ammunition, and volunteers. It turns out that the federal forces command is well informed about the routes used by the Dudayevites in providing essential supplies. But for some strange and obscure reason it is doing practically nothing to block them.

Some strange features of the "Caucasus war" are discussed in Vadim Belykh's piece "Chechen Transit." The facts cited in it are well known to the leaders of the power departments from dispatches and reports that regularly land on their desks. Unlike the majority of Russians, including those who are currently being used to establish "constitutional order."

A constant supply of weapons and ammunition and efficient intelligence are the two main conditions of successful actions by any army. And, to all appearances, the Dudayevite formations are rigorous in their observance

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of them. It is mainly the federal forces that experience irregular supplies of cartridges and shells, food, trained reinforcements, and accurate intelligence. The gunmen of Ichkeria do not have these problems. And despite all the top-level announcements to the effect that all routes for the delivery of any kind of military aid to illegal armed detachments have been blocked, eighteen months of constant war have refuted this again and again.

But are the federal authorities that are establishing constitutional order in the Chechen Republic so poorly informed? IZVESTIYA has in its possession copies of special reports sent over the past six months by officers of various special services to the leaders of the Russian power departments. While aware that some of the information in them may not prove to be correct, we decided nonetheless to publish the data that has come to our attention.

No Ambushes on the Caravan Track

Several mountain caravan tracks are now being used to supply Dudayevite detachments with arms, ammunition, uniforms, and people. They are used to bring out wounded gunmen and perfectly healthy gunmen taking a break after difficult operations. All the tracks follow rivers and are supplied with winter shelters and can be used at any time of the year.

Special services regard the routes through Azerbaijan, Abkhazia, and Dagestan to Chechnya as having been fully reconnoitered.

— Ritulskiy Rayon-Archib-Dusrakh-Tsurib-Gochob-Rugelda-Ratlub-Dagbash-Tindi-Gakko or Kedi.

— Archib-Chitab-Dusrakh-Chvadab-Magar-Tsurib.

— Ritlyab-Gilib-Irib-Tsurib.

— Mushok Pass-Beshta village-Kidero-Khushget, and on to Chechnya. It is by this particular route that grenade launchers, firearms, and ammunition are delivered twice a week on four pack horses.

A caravan track has been established from the population center of Echeda in the direction of the villages of Sildi and Gakko.

Dinskiy, Kurdulskiy, and Belogodinskiy passes.

The pass near the village of Kurush; tracks stretch between the Yaru-Dag and Bazar-Dyuzi mountains and lead to the village of Khnov, in Akhtynskiy Rayon, Republic of Dagestan.

Despite the detailed information these tracks were not blocked by federal forces' subunits. They confined themselves to intercepting some caravans carrying weapons.

Actually essentials for Dudayev's army are supplied by ordinary smuggling. From Iran to Turkey via the "Astara" crossing point in Skoda cars, using false documents and unexceptional bribes, between $5,000 and $30,000 per car.

Where Dudayev's Falcons Fly To

Russian special services are particularly interested at the moment in an Azerbaijani army military airfield and an aircraft construction plant in the "Nasosnaya" area not far from Baku. It is believed that military hardware and equipment, including Soviet-made aircraft and helicopters, go there from Iraq and Syria. Dudayevite representatives Dalakov, Dzhavtayev, and Malsagov have free access to the air base.

They are paying special attention to a helicopter regiment stationed on the outskirts of the settlement of Zabrat-2. According to available information, its equipment is used to airlift arms on the route between Zakatalskiy and Belokanskiy Rayons in Azerbaijan and Tlyaratinskiy and Botlikhskiy Rayons in Dagestan, and on to Vedenskiy Rayon in Chechnya.

Moreover, military freight is carried by civil helicopters to quays near Artem island (settlement of Shuvelan) and to the seashore in the settlement of Nabran. Then the arms are taken via the Caspian to Dagestan.

Particularly large consignments of equipment were transferred via these two channels in the period between from 15 through 20 January this year.

The airfield in Zabrat-2 is interesting also because there are several unmarked Mi-8 helicopters based there. According to agency reports, they belong to Dudayev. They are piloted by Chechens and Russian mercenaries. These aircraft are also used to transfer weapons and gunmen. Russian markings are applied directly before they take to the air.

The Dudayevites also use An-24 and An-26 transports to deliver arms and people. They fly low from Azerbaijan, through corridors that are not monitored by Russian air defense forces, across Dagestan territory and on to Chechnya. Border forces posts on the Russian-Azerbaijani border have often spotted these aircraft intruding into Russian airspace and then returning. "Night-flying" An aircraft are based in Nanosnaya and at a number of other airfields. They are also used to airlift Dudayevite "freight" primarily from abroad.

From Turkey — following the route Istanbul-Ankara-Nakhichevan-Sital-Chay airfield, near Sumgait.

From Pakistan, Afghanistan, and Iran — via the Iranian transit airfield of Zahedan.

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From Pakistan and Afghanistan — from Bagram airfield in Afghanistan to Kala or Kyurdamit airfield in Azerbaijan.

With the help of prisoners of war the Dudayevites are equipping landing strips in areas they control to take heavy aircraft. Several of them have been discovered.

There is a landing strip 70 km from Groznyy, near the settlement of Shatoy.

An airstrip has been created in the upper part of the Belaya Shalazha gorge and the gorge running through the village of Chozhi-Chu. Reconnaissance groups operating at night have spotted signal bonfires and aircraft landing and taking off there.

There is some information to the effect that aircraft carrying military freight and gunmen are also landing in Ingushetia, Kalmykia, and Astrakhan Oblast. The freight is then delivered by the usual means.

Since January 1995 the Dudayevites have been constantly using other routes as well to transfer gunmen and arms.

The "Abkhaz route" — by sea from Turkey to Sukhumi, then to the helicopter pad in Novyy Afon. Thence by air over the territory of Kabardino-Balkaria to the Dzheyrakhskiy gorge.

Back to Base

According to information from Russian special services, the first Chechen gunmen went off to Turkey in March 1991 to learn the intricacies of the military saboteur's art. The group of 50 students included many people who would become well-known Dudayevite commanders: Shamil Basayev, Shirmani Albakov, Gelayev, Andi Madagov, Beslan Mumatakayev, Rezvan Merzhuyev.

They went from Groznyy to Nalchik, where a representative of the Confederation of Caucasus Peoples provided them all with documents in aliases. It was under these names that they traveled to Istanbul, where they were met by members of the Veinakh diaspora (muhacirin) and taken to a military camp near Ankara. There they were all split into three groups. A Turkish officer, Katel Cholaku, was in command.

The Chechens were not the only representatives of what was then the USSR who underwent training at the center under the command of Turkish officers. The intricacies of the art of war were also learned by citizens from Uzbekistan, Tajikistan, and Ukraine. They were all dressed in camouflage clothing and the obligatory green headband.

The training followed a strict schedule. Before lunch it was firing and cavalry training, oriental martial arts, study of types of weapons. After lunch you had lessons in Muslim law and meetings with members of the Turkish "Black Jackals" organizations.

Once the course was over, in September 1991, the group took the motor ship Ritsa from Trabzon to Sukhumi and returned to Groznyy via Armavir and Mineralnyye Vody. It was there that Dzhokhar Dudayev met with the special school graduates.

Judging by a variety of data, there has been constant training of Chechen groups near Ankara since Basayev's group went.

Dudayevite gunmen have trained and are training in Pakistan with financial support from Saudi Arabia. The Muslim organization "Montremer alame islami" [name as transliterated], with its headquarters in Islamabad, plays a significant role in this. The training camps are situated in the province of Baluchistan, and it is there that the military freight is prepared for transfer to Chechnya and wounded gunmen are treated.

The international organization of Wahhabites has set up training camps actually on Russian territory. Apparently near the village of Yandyrka (Republic of Ingushetia) and Orekhovo (Achkhoy-Martanovskiy Rayon). Classes there are conducted by around 20 instructors from Afghanistan, Pakistan, and Azerbaijan.

Until recently there was a major training center for Chechen gunmen near the settlement of Gyuzdek, in Apsheronskiy Rayon, Azerbaijan, at a "Gray Wolves" international organization base (the recently arrested Azerbaijan internal affairs minister was this organization's representative in the Transcaucasus). In the winter around 2,000 people underwent special forces training there. Most of them participated in the recent events in Groznyy. Shamil Basayev is also a frequent visitor to the camp.

A Mercenary Force

According to Russian special services, by the start of the events in Chechnya, in December 1994, Dudayev had around 15,000 fighters. Now the figure is around 5,000-7,000. That is not counting the militiamen, who are occasional participants in combat actions. There are many illegal armed formations of mercenaries among the gunmen.

The so-called "Afghan division," numbering around 2,000 mojahedin fighters, once operated in Azerbaijan, on the Karabakh front. In several head-on clashes with Armenians it sustained heavy losses and was transferred to the second line, concentrating mainly on sabotage

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activities. In the history of the Karabakh war it is remembered for its robbing of civilians, irrespective of nationality, clashes with Russian mercenaries, and internal feuds between followers of Rabbani and Hekmatyar. In December 1994 the "division" was disbanded. But only some of the fighters returned home to Afghanistan without their equipment. Around 300 fully armed mojahedin went over to Dudayev.

Afghan mojahedin and Iranian volunteers are recruited by the extremist "Hezbollah" organization, controlled by the Iranian special service, KSIR [name as transliterated]. They are sent via the territory of Azerbaijan and Dagestan to Vedenskiy Rayon, Chechnya, to one of Shamil Basayev's bases.

A detachment of Palestinian mercenaries is operating near the village of Zandak.

A group of Tajiks and Afghans is based in Nozhay-Yurtovskiy Rayon. It was noted that a representative of Hekmatyar turned up there with the job of ferrying some of the federal servicemen imprisoned there to Afghanistan.

Moreover, there are mercenaries from Jordan, Libya, Iraq, Ukraine, Saudi Arabia, Tajikistan, and Azerbaijan operating on Dudayev's side.

Operatives have established that more than 60 gunmen have received treatment in Turkey in recent months and the four most badly wounded were transferred to Jordan.

But only 20 people returned to Chechnya on recovery. The rest chose to remain for various reasons.

Now Dudayev's headquarters prefers to treat its own wounded in Russia and countries in nearby foreign parts.

For instance, in Azerbaijan Dudayevites are being treated in hospitals in Gyandzha, Tauz, Akstafa, and Dzhalilabad. Crimean sanatoriums have also been used.

Seriously wounded gunmen have been treated in the North Caucasus — at the "Nalchik," "Kalmykovo," and "Kirovo" sanatoriums.

Wounded gunmen have also been spotted in hospitals and sanatoriums near Moscow. There is a particularly large number of them in Ruza.

Retribution Operations

Intelligence services spent a long time checking information that Dudayev had several Su ground-attack aircraft concentrated on the Baku airport reserve airstrip. The head of Ichkeria was allegedly intending to use them for a missile and bombing raid on federal forces' positions. The check gave little credence to the information. It was probably misinformation put out by the Dudayevites themselves. But it did confirm something else.

According to current data, in the city of Belokany, in Azerbaijan, pilots from Chechen illegal armed formations are being trained at an air force training center.

The purpose is to arrange terrorist acts on the territory of Russia. The intention is to capture civil aircraft, take the passengers hostage, and then make political demands. They are also studying the possibility of operations to infiltrate Russian airfields, try to get warplanes in the air, and strike at previously designated targets.

Actually, special services personnel are not sure that their information will be put to proper use. For example, the first reports of possible Dudayevite actions in a number of small towns, including Budennovsk, reached "the top" on 9 January. Subsequently they warned that weapons and ammunition would be delivered to the city in advance and would be kept hidden, with the majority of gunmen arriving at the scene unarmed, in groups of three or four. The tragedy unfolded in June.

Information that more than 550 gunmen had massed in Groznyy and an armed action was in the offing was sent "to the Center" on 30 December last. No one used it.

The intelligence mysteries do not end there. Only in the last few months four special forces units have been dropped in Chechnya territory. The aim was to determine Dudayev's exact whereabouts and if possible kill him. All four groups immediately fell into enemy hands and were massacred. It turns out that the Dudayevites had prior knowledge of their routes.

Shamil Basayev has similarly mysterious good fortune. Immediately after a report to the "federals'" leadership on the details of another operation to capture or kill him, he radically changes his plans and luckily avoids any unpleasantness.

According to special services' data, the Dudayevites have now decided to break the "moratorium" and carry our several terrorist acts in Moscow. Several sabotage groups are completing training in camps in Pakistan. Some people are already in the Russian capital. The weapons and explosives will not be brought from Chechnya itself. It is all currently being purchased from Moscow criminal groupings through front men.

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CIS: Text of Four-Nation Integration Treaty

MM0104152296 Moscow ROSSIYSKAYA GAZETA in Russian 2 Apr 96 p 3

["Treaty Between the Republic of Belarus, the Republic of Kazakhstan, the Republic of Kyrgyzstan, and the Russian Federation on Deepening Integration in the Economic and Humanitarian Spheres" signed by Belarusian President Lukashenka, Kazakhstani President Nazarbayev, Kyrgyz President Akayev, and Russian President Yeltsin]

[FBIS Translated Text] The Republic of Belarus, the Republic of Kazakhstan, the Republic of Kyrgyzstan, and the Russian Federation, hereinafter called the Parties,

— basing themselves on the historically established ties among their peoples and their desire for further integration and all-around rapprochement,

— mindful of the need to make coordinated use of the material and intellectual potential of their states,

— recognizing the Parties' state independence, sovereignty, and territorial integrity,

— confirming their participation in the Commonwealth of Independent States and their readiness to implement integration processes within its framework,

— and guided by the generally recognized norms and principles of international law,

have agreed to the following:

Aims and Principles

Article 1

With the aim of creating in the long term a Community of Integrated States [Soobshchestvo integrirovannyykh gosudarstv] the Parties have decided to direct joint efforts toward the stage-by-stage deepening of integration among participants in the present Treaty in the economy, science, education, culture, the social sphere, and other spheres while complying with the Parties' sovereignty, the principles of equality and mutual advantage, and the inviolability of the existing state borders between them and not interfering in one another's internal affairs.

Article 2

The main aims of integration are:

— the consistent improvement of living conditions, the protection of the rights and freedoms of the individual, and the achievement of social progress;

— the ensuring of stable democratic development of the states;

— the formation of a single economic area envisaging the effective operation of a common market in goods, services, capital, and manpower and the development of common transport, energy, and information systems;

— the elaboration of minimum standards of social protection for citizens;

— the creation of equal opportunities to receive an education and to gain access to scientific and cultural achievements;

— the harmonization of legislation;

— the coordination of foreign policy and the ensuring of a fitting place in the international arena;

— the joint protection of the Parties' external borders, and the fight against crime and terrorism.

Economic Cooperation

Article 3

The Parties shall coordinate the basic guidelines, stages, and timetables for economic reforms, create the necessary conditions for the operation of a common market, and ensure equally favorable conditions for free economic activity by economic players in their states.

The Parties shall ensure the equal right to the acquisition of property and ownership and to the possession, use, and disposal of it on the territory of any of these states in accordance with their national legislation.

The Parties shall establish a common model normative base for civil legislation and state regulation of the economy.

Article 4

The Parties shall implement a coordinated pricing policy ruling out price discrimination against the Parties' economic players and shall apply the free (contract) prices prevailing in their internal markets.

The Parties shall complete in 1996 the creation of a single customs territory along with the ensuring of a common management system.

Article 5

The Parties shall coordinate structural policy with the intention of creating industrial and agrarian economic complexes based on the mutual complementarity of economies and on making maximum use of the advantages of the rational division of labor.

Article 6

The Parties shall jointly elaborate and implement a system of measures for state support for the development

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of production sharing and for the encouragement of production capital investment, including the subsidizing of targeted programs and projects and the creation of facilities of common interest, and shall encourage the formation of transnational associations.

Article 7

The Parties shall consistently step up the coordination of policy in the monetary-credit and currency-finance spheres and shall create an effective payments system.

During the initial stage the Parties shall seek a substantial decrease in inflation, stabilization of the exchange rates of national currencies, and total convertibility of national currencies and shall ensure equal access for the Parties' resident entities to the currency markets of the states participating in the Treaty. The Parties' central banks shall create an interbank union with a view to mutual consultations and the coordination of measures.

During subsequent stages the Parties shall implement a transition to common standards and practices in regulating banking activity and, contingent upon the degree of integration that has been achieved, shall introduce a single currency.

Article 8

The Parties shall establish a single scientific and technical area and shall ensure collaboration in carrying out basic and applied scientific research, including the organization of joint scientific work on problems of common interest.

Article 9

The Parties shall increase cooperation in the sphere of protecting the environment, including the elaboration and adoption of common ecological safety standards, and shall take joint measures to prevent eliminate [as published] the consequences of accidents, natural calamities, and nuclear and environmental catastrophes.

Cooperation in Social and Cultural Spheres

Article 10

The Parties shall pursue a coordinated social policy, harmonize national systems of social protection, and gradually equalize levels of pensions, grants, and benefits for war and labor veterans, disabled people, and low-income families.

Article 11

The Parties shall create the conditions for preserving and strengthening the common cultural area on the basis of the historically established links and business contacts between creative unions and associations and between cultural, literary, and artistic figures and preservation of the ethnic and linguistic identity of peoples.

Article 12

The Parties shall define an interstate education strategy and elaborate joint programs for the tuition of students and the training and retraining of specialists.

The Parties shall mutually recognize without legalization diplomas, certificates of education, and corresponding documents regarding the granting of an academic degree or academic title.

Article 13

Citizens of the Parties permanently resident on the territory of other states participating in the present Treaty shall be granted the legal status laid down by their national legislation and by bilateral and multilateral treaties; a simplified procedure for the acquisition of citizenship by citizens of the Parties shall be ensured.

Cooperation in Other Spheres

Article 14

In the light of accumulated experience of cooperation the Parties shall improve the mechanism for coordination of action during the planning and implementation of foreign policy and the creation and strengthening of the common system for ensuring security and the protection of state borders.

Article 15

The Parties shall coordinate legal drafting work, create model legislative acts, exchange legal information, provide legal assistance on civil, family, and criminal cases, and promote the development of legal science and the training of legal cadres.

Article 16

The Parties shall ensure close collaboration among law enforcement and other competent agencies and pool efforts in combating general criminal activity and organized crime, terrorism, unlawful trafficking in weapons and drugs, smuggling, illegal immigration and emigration, the production and use of forged payment documents and other documents, and any actions that constitute a threat to public safety or to the execution of judicial rulings.

Organs of Administration of Integration

Article 17

In order to achieve the objectives of the present Treaty the Parties shall establish joint organs of administration

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of integration: the Interstate Council, the Integration Committee, and the Interparliamentary Committee.

Each of the said organs shall act within the framework of the powers specified for it by the present Treaty and the relevant Statute on the said organ.

Article 18

The Interstate Council is the highest organ of administration of integration. Represented on it are the heads of state, heads of government, and foreign ministers, and also the chairman of the Integration Committee in a nonvoting capacity.

The Interstate Council is headed by a chairman elected from among the heads of state of the Parties for a period of one year on the basis of rotation.

The Interstate Council shall formulate the strategy of cooperation, define its main stages, adopt corresponding decisions and monitor the course of their implementation, and approve the statutes on the organs of administration of integration and the procedure for funding them.

Expenditure on the upkeep of the organs of administration of integration shall be financed by the Parties on a fixed scale and shall be used exclusively for these purposes.

Article 19

The Integration Committee is a permanent executive organ which adopts and implements measures necessary for the realization of the objectives and tasks of integration defined in the present Treaty.

The Integration Committee shall include the first deputy heads of government of each of the Parties and the Parties' ministers responsible for questions of cooperation with the CIS states, economy, and finance.

The Integration Committee is headed by a chairman appointed by the Interstate Council on the basis of rotation.

The Integration Committee:

— shall monitor fulfillment of the decisions of the organs of administration of integration, via the Parties' governments;

— shall ensure, to the extent of its competence, the implementation of decisions of the Interstate Council, integration programs, treaties, and agreements existing between the parties;

— shall establish corresponding interstate commissions and committees and enlist independent experts in various spheres of the economy, law, administration, and other spheres of integration.

Article 20

Information, material, technical, and organizational support for the activities of the Interstate Council and other organs of administration of integration shall be provided by the Integration Committee apparatus, to be formed on a parity basis.

The organs of administration of integration shall be located, by agreement, in the capitals of the states party to the Treaty.

Article 21

In order to publicize the practical experience and results of the Parties' integration and to publish official legal acts and other documents of the organs of administration, the Integration Committee shall publish a press organ — the BYULLETEN RAZVITIYA INTEGRATSII [BULLETIN OF THE DEVELOPMENT OF INTEGRATION].

Article 22

The Interparliamentary Committee is an organ of interparliamentary cooperation and is formed on parity principles from among parliamentarians delegated by the parliaments of the Parties.

The Interparliamentary Committee, with a view to rapprochement and harmonization of the Parties' legislation, shall within the limits of its powers:

— adopt model acts on the basis of which national legislative acts shall be drawn up;

— submit proposals on questions of the development of the legal basis of integration;

— participate in other forms of legislative activity stipulated by the Statute on the Interparliamentary Committee.

Recommendatory acts of the Interparliamentary Committee shall be submitted for examination in the parliaments of the Parties according to the procedure stipulated in their national legislation.

Financial and Legal Support for Integration

Article 23

The Integration Committee shall annually formulate concrete proposals on financial and budgetary questions of integration and submit them for examination by the Interstate Council.

Article 24

The Interstate Council is entitled to adopt decisions that are binding on the Parties' organs and organizations directly responsible for their implementation, or decisions

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that are subject to conversion into national legislation of the Parties.

The Parties shall ensure the accountability of officials of their organs of state power for the implementation of the provisions of the present Treaty and decisions of the joint organs of administration of integration.

Disagreements arising in the course of implementation of the present Treaty shall be resolved by means of consultations among the Parties, and if necessary by the Interstate Council on the submission of the Integration Committee.

Article 25

The provisions of the present Treaty shall not restrict the economic and political relations of any of the Parties with other countries of the world community, shall not be detrimental to the international legal status of any of the Parties, and shall not affect their commitments under international treaties and agreements adopted earlier, including those within the framework of the CIS.

Final Provisions

Article 26

The present Treaty shall apply provisionally from the date of signing and shall enter into force from the date of submission to the depository, which shall be the Russian Federation, of notifications confirming the Parties' fulfillment of the internal state procedures necessary for the Treaty to enter into force.

Article 27

The present Treaty is open for adherence by other states that share its objectives and principles and that accept in full the commitments stemming from the Treaty.

The participants in the Treaty, recognizing the possibility of different levels of integration within the framework of the CIS, may sign bilateral and multilateral agreements ensuring more advanced integration relations in the political, economic, and other spheres.

Article 28

The present Treaty operates for five years and is then automatically extended for a further five years unless any of the Parties declares the desire to terminate its operation not less than 12 months before the expiry of the term of operation of the present Treaty.

Each Party is entitled to secede from the present Treaty by means of not less than 12 months' notice in writing to the depository.

Done in Moscow, 29 March 1996, in four copies in the Belarusian, Kazakh, Kyrgyz, and Russian languages; all the texts have identical validity. Authentic copies of the Treaty shall be stored in the Russian Federation, which shall send a verified copy to each state party to the present Treaty.

[signed] President of the Republic of Belarus A. Lukashenka

President of the Republic of Kazakhstan N. Nazarbayev

President of the Republic of Kyrgyzstan A. Akayev

President of the Russian Federation B. Yeltsin

CIS: Topics for Foreign Ministers Council Meeting 2 Apr

LD0104235296 Moscow ITAR-TASS World Service in Russian 1555 GMT 1 Apr 96

[by ITAR-TASS displomatic correspsondent Valeriy Sevryukov]

[FBIS Translated Text] Moscow, 2 Apr (Itar-Tass) — The council of CIS foreign ministers will begin a sitting in Moscow on Tuesday, the central topic of which will be the prospects for the Commonwealth's future development. "The sitting will discuss sections of the draft prospective plan for the Commonwealth's integrational development in 1996-97," the director of the Russian Foreign Ministry's Department for Information and Press said today in a conversation with an ITAR- TASS correspondent.

According to the diplomat, there will be an important exchange of views on problems of common European security and the strengthening of international cooperation. The ministers will also examine several measures to regulate the activity of structures coordinating work to implement the collective security treaty of 15 May 1992. The discussions will touch on the training of personnel in collective peacekeeping forces, and also the implementation of agreed actions to settle the Georgian-Abkhaz conflict.

The sitting will discuss work by the consultative council of heads of consular services in foreign ministries of CIS member countries on documents regulating several aspects of consular work.

Grigoriy Karasin said that on Ukraine's initiative the agenda will include an item on a draft agreement on restoring the rights of deported individuals, ethnic minorities, and peoples.

"The sitting will also examine draft rules of procedure for heads of state and the council of heads of government, and a number of other issues," the official Russian Foreign Ministry representative said.

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CIS: ITAR-TASS Carries Press Review for 2 Apr

LD0204052796 Moscow ITAR-TASS in English 0453 GMT 2 Apr 96

["Press Review" — ITAR-TASS headline]

[FBIS Transcribed Text] MOSCOW April 2 (Itar-Tass) — Follows a review of Tuesday's Moscow-based Russian newspapers dated April 2. The newspapers highlight President Boris Yeltsin's televised address, in which he set out a plan to settle the crisis in Chechnya. While summarising in detail and analysing the main provisions of the plan, newspapers wonder whether Yeltsin will stop the war in Chechnya.

IZVESTIYA gives the opinion of a number of experts who thoroughly analyse the programme of measures suggested by the President of Russia.

Experts arrived at a conclusion that a number of obstacles are yet to be overcome on the way to peace in Chechnya.

Troop withdrawal planning alone will take not less than a month, Colonel-General Vladimir Semenov, Commander-in-Chief of Russia's Land Forces, has told the newspaper.

Journalist Boris Vinogradov is of the opinion that on the way to determining a status of Chechnya, Federal authorities will have to estimate the current position of Dzhokhar Dudayev and the future of Doku Zavgayev.

Examining the question of who may become a go-between at talks with Dudayev, Professor Valeriy Tishkov believes that President Mintimer Shaymiyev of Tatarstan could be the best figure as an intermediary.

ROSSIYSKIYE VESTI on three main provisions of Yeltsin-suggested programme.

Political scientist Emil Payn thoroughly examines three main provisions of Yeltsin-suggested programme: the demilitarisation of Chechnya, the convocation of a Forum of representatives of the people of the republic, and an amnesty for participants in combat actions. The scientist's opinion is that a settlement of the Chechen crisis depends on the solution of these matters.

ROSSIYSKIYE VESTI on the need for a Federal Law on the status of Chechnya within the Russian Federation.

The issue is discussed by Vyacheslav Mikhailov, Russian Minister of Ethnic Affairs and Federal Relations. He belives that elections to the Chechen parliament may be held already in summer this year and that there are prerequisites for that.

KRASNAYA ZVEZDA on presidential contenders' comments on Yeltsin's TV address.

The newspapers carries remarks by "the main contenders for the presidency of Russia" on Boris Yeltsin's televised address to the citizens of Russia.

"It is noteworthy that the presidential contenders in unison criticed the TV address, for, as an analyst put it, "this is such a heavy weight shouldered by the President. Not a single presidential contenders would like the President to shake this weight off".

KOMSOMOLSKAYA PRAVDA on reaction in Chechnya to Yeltsin's plan.

The newspaper points out that "the Kremlin's peace plan has been countered by (Shamil) Basayev's firing on a motor convoy. It is so far unknown what Dzhokhar Dudayev thinks about Yeltsin's programme. Meanwhile the Basayev-led group routed yet another motor convoy of Federal troops".

NEZAVISIMAYA GAZETA on constructiveness of the Presidential plan.

"The Presidential plan to end the war in Chechnya has begun to work. But the doubtless constructiveness of some of the plan's provisions does not guarantee that the desired goal will be attained".

SOVETSKAYA ROSSIYA on contradictions and maladjustments in the peace plan for Chechnya.

The newspaper points to a number of "contradictions and maladjustments in the programme, which can hardly be overcome in practice". This is why the peace programme for Chechnya is hardly feasible, the newspaper believes.

ROSSIYSKAYA GAZETA on economic reforms in Russia.

"The economic situation remains complex. This is a state of unsteady equilibrium" is the headline under which the newspaper carries an article by First Vice-Premier Oleg Soskovets about the achievements and setbacks of economic reforms.

"A huge amount of work has been done in the area of institutional reforms which became a basis for structural changes in the economy. The unprecedented-in-scope privatisation has been completed: joint-stock enterpirses now account for about 40 per cent of the aggregate number of businesses. Such are the chief results of economic reforms in Russia in recent years," Soskovets points out.

ROSSIYSKIYE VESTI on integration of the economies of Russia and Belarus.

The newspaper carries an interview with President Alyaksandr Lukashenka of Belarus, who believes that

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wellbeing will follow the integration of Russia and Belarus.

A great impoverishment of the peoples of the former Soviet Union followed the break-up of the single economic complex and the enormous economic slump, he maintains.

"So, integration is not just anyone's whim. We are prompted to take this road by the current crisis of our economy and by the striving for the unity of our two peoples," Lukashenka emphasises.

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Russia: Yeltsin Delivers Address After Signing Treaty With Belarus

LD0204094196 Moscow Russian Public Television First Channel Network in Russian 0733 GMT 2 Apr 96

[Speech by Russian President Boris Yeltsin on Cathedral Square in Moscow following the signing of the Russian-Belarusian treaty — live]

[FBIS Translated Text] Esteemed President of the Republic of Belarus, your esteemed Holiness, esteemed guests, dear friends: Today is truly an unforgettable day. The event in which we are participants will undoubtedly become an historic one in the relations of Russia and Belarus.

The desires of the two Slav peoples to have not only a common history but also a common present and future have been realized in a political document.

How closely bound are the destinies of the peoples of Russia and Belarus! And how heavily we all felt it when barriers started to emerge dividing our peoples!

It is not by chance that it is Russia and Belarus which have taken on themselves the not easy mission of pioneers of integration in the framework of the CIS. Now the bringing together of Russia and Belarus is assuming new qualities. Relying on the will of the absolute majority of citizens, we are uniting our forces.

We find equally unacceptable the games of those who question the democratic statehood of our peoples and of those who would drag us into the mire of self-isolation. That is why the road to today's treaty was not an easy one. But our progress to meet one another half way did not stop for a single day.

Now we are taking a decisive step. It is a question of deep integration of two sovereign states. We need it like the air itself. We want Belarus tractors and Belaz motor vehicles to be the most competitive on the world market and then the labor of whole generations of Russians and Belarusians will not have been in vain.

Integration will help to solve problems. We want Tyumen oil to be exported after being refined at Novopolotsk combine and both Russians and Belarusians will be richer for that. Integration will also help to solve this problem too.

We want to create a unified economic space and an effective common market. We want the goods, services, and capital of Russia and Belarus to freely mix in our community. We have agreed to synchronize the stages, the timetable, and the depth of the reforms which are being carried out. The treaty has laid the foundation for the creation of a unified industrial and agrarian complex of the national economy.

I am convinced that it is vital for Russia and Belarus to restore a joint transportation and power system and a common scientific-technological and information space.

The treaty provides for interaction in the protection of the environment and the elimination of the consequences of natural and other disasters and coordination in foreign economic ties. We are focusing particular attention on protection of the rights and vital interests of our citizens. Customs barriers have been finally lifted. The citizens of our countries have felt the benefit of this decision. Now the advantages will be considerably greater.

Russia and Belarus will provide people with equal rights in obtaining education, employment, and wages. We will have a unified social security system, not immediately, but gradually, but we will definitely even out living conditions for war and labor veterans and the disabled. The rights of citizens of one country on the territory of the other will be provided for. I am convinced that as the treaty is implemented there will be stabilization, followed by an improvement in the living standards of the Russian and Belarusian peoples.

And how important it is to the development our traditional cultural ties! If we suddenly stop hearing beautiful verses in the two great Slavonic languages and if we start to forget the unique glorious melodies of the Polesye and the Volga region, our spirits will be the poorer.

We must not allow this, and we will not allow this now. In a word, the treaty creates conditions for a more effective and comprehensive implementation of the national interests of our countries. The document which we signed today envisions a clear procedure of the implementation of our objectives. The supreme council, the executive committee, and the parliamentary assembly are being set up on equal terms. Allocations from state budget funds of the two sides will constitute the budget of our community, which will be directed to financing major common programs.

The supreme council and the executive committee may, within their remit, make decisions for immediate implementation — without detriment to the constitutions of the sides, of course. The executive committee will have the rights and the authority which are needed for the consistent development of integration. It will be in charge of developing general economic and social policy, of forming a joint legal base, of taking steps toward the unification of monetary, credit, tax, and budget sys-

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tems, and toward the introduction of a common currency.

The institutions of the community will form joint energy, transportation, and communication systems; they will oversee the efficient deployment of production capacities and coordinate foreign economic and customs policies. In a nutshell, community institutions have sufficient powers and functions — it is important to implement them vigorously.

I would like to stress that the universal principles of international law, democracy, and a socially-orientated market economy lie at the basis of this treaty. The treaty does not infringe any of the articles of the constitutions of Belarus and Russia. Not only does it not run counter to the national interests of our countries, it creates conditions for more effective and full implementation. By taking part in our community each of the sides preserves its sovereignty, independence, and territorial integrity, and all the attributes, without exception, of state power.

The treaty does not restrict the freedom of action of the sides in international affairs. By continuing to coordinate their foreign-political activity, Russia and Belarus will remain subjects of international law, with all the ensuing consequences. I believe that the process of rapprochement between Russia and Belarus has immense significance for all the countries of the Commonwealth of Independent States. I believe that other states will join our community; its advantages are obvious.

We will work together more boldly and vigorously for the benefit of the peoples of Russia and Belarus and our community as we enter the 21st century! [applause]

Russia: Lukashenka Delivers Speech After Signing Treaty

LD0204105696 Moscow Russian Public Television First Channel Network in Russian 0733 GMT 2 Apr 96

[Speech by Belarusian President Alyaksandr Lukashenka on Cathedral Square in Moscow following signing of the Russian-Belarusian treaty — live]

[FBIS Translated Text] Esteemed citizens of the Russian Federation and the Republic of Belarus, dear friends, your Holiness. I fully support and agree with the Russian president. A truly historic event took place today. What the will of the electorate, citizens of the Republic of Belarus, obliged me to do, what I myself worked toward wholeheartedly has come to pass. A treaty has just been signed on founding a community of sovereign states. The injustice which meant that our states were separated has been removed.

Today, the Russian president and I secured in law the highest level of integration within the CIS that has been achieved between our two peoples. The community which we have created is based on mutual respect and fair consideration of the interests of the two peoples, and primarily of ordinary people. Now, at any point in the community, whether it be on the territory of Belarus or Russia, the citizens of our countries will feel at home and they will be guaranteed absolutely equal rights in areas such as finding employment, healthcare, the acquisition of property, housing construction, and so on.

I am sure that in contrast to many agreements which have simply remained on paper, the treaty signed today will be implemented in full. This is guaranteed by the fact that while it was being drawn up, both sides gave paramount importance to the creation of an effective mechanism for its implementation. During our many conversations the Russian president and I discussed all the details of how the community set up today will function.

I think there have been few treaties in the history of international relations that have been the subject of such thorough work at the level of heads of state. The community is being formed in such a way as to ensure maximum...[Lukashenka pauses] minimum bureaucracy and maximum efficiency in its work. Joint programs will be drawn up very soon to resolve the most acute problems facing our peoples. These will make it possible to combine the material and intellectual resources of Belarus and Russia. The sides will allocate funds for the implementation of these programs on equal terms. I have no doubt that a program of joint action to overcome the effects of the Chernobyl and other catastrophes will be program number one, both in order and in importance. By joining forces we will cope more quickly with this misfortune that is common to both our countries. I am certain that fraternal Ukraine, on whose territory this station is situated, will also join the program.

Speaking here, in the heart of Russia, I would like to thank the Russian people and the Russian leadership for its respectful and truly fraternal attitude to our republic. The Belarusian people are entering this union with Russians open-heartedly. There has never been anti-Russia or anti-Russian feeling in our republic, and there is none today. The million or so Russians who live in the republic feel themselves to be just as much equal citizens as the ethnic Belarusians. Russian people have never been strangers in Belarus. The Belarusian-Russian rapprochement is arousing intent interest, not

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only within the CIS but also throughout the world. People sincerely wish our peoples well, and look with hope at our progress.

But there are also those, including in our state, for whom Belarusian-Russian integration goes against the grain. Some of them through lack of understanding, others out of selfish motives never tire of asserting that as a result of integration processes Belarus will disappear from the world map as a sovereign state and will turn into some state's piece of territory.

No reasonable arguments that the republic's sovereignty will not suffer as a result of the conclusion of the treaty, that it will remain in the future an entity in international relations, and will pursue a vigorous foreign policy, does not have any effect on these people.

I know that in Russia too not everyone approves of our integration. Voices are being heard alleging that Belarus is going for the union with Russia because it hopes to make something at the expense of the people of Russia. That is not so. It is a lie, to say the least.

We choose integration because by our joint efforts it is easier to tackle the urgent tasks facing our countries including further improving the economy of both states.

I wish to remind you that Belarus was one of the most developed republics of the Soviet Union, from which annually some $3 billion was paid into the Union funds. Possessing a highly developed agriculture, it provided foodstuffs to such Russian conurbations as Moscow and Leningrad. It supplied food to the huge Soviet army.

I must inform you that quite recently we reached agreement with Yuriy Luzhkov and Anatoliy Sobchak on restoration of the previous links and volumes of deliveries even before this treaty.

This shows that our economies and our peoples have never deserted one another when it comes to things that really matter. Belarus has never been dependent on anyone and has never been a parasite. And now the republic possesses a huge scientific-technical potential. Our enterprises produce many goods for which the Russian market has had a traditional need. We have created this together with the fraternal republics. So, why can we not reap today the benefit of what we have created in the name of our peoples? The fact that we will restore the economic ties between the Belarusian and Russian peoples, which have been torn apart by force, will be of benefit both to us and to you. That is why the opponents of Russia and of the creation of our alliance are, to say the least, deluding themselves when they claim that integration is of benefit to only one state.

The Belarusian-Russian rapprochement is part of the worldwide processes of integration. That is why our western partners should not be so guarded about our union because it is aimed at creative processes, just as their European Union is.

Belarus has been and will continue to be a reliable ally of the great Russia. We have made our foreign-political choice consciously and are firmly intent on pursuing it. You can be in no doubt that you, the Russian people, will never be threatened with danger crossing our territory. We will remain together, just as we have been throughout history during times of hardship. For their part, the people of Belarus see Russia as a guarantor of our security. Therefore, we are prepared to continue to develop cooperation with you in the sphere of defense and to conduct a coordinated foreign policy.

Taking fully into consideration its alliance with Russia, Belarus will implement further its balanced multidirectional foreign policy. And that is how it will be because Belarus is at the center of Europe. Our peoples will benefit from this foreign policy now.

Dear friends, the treaty has been signed. However, the integration of our two countries will not stop at this. On the contrary, it raises this integration to a new height. Now the challenge is to translate our agreements into the language of specific projects, something that will require active work of the governments and of the territorial governing bodies, of leaders of enterprises and of all citizens, all people of Belarus and Russia.

The treaty which we have signed is not directed against third countries; it does not contradict or destroy the existing alliances, including the Commonwealth of Independent States. It will harmonize beautifully with the commonwealth of the four republics, which just recently signed their treaty here in Moscow.

I am convinced that the establishment of our community will make more dynamic the integration processes which are taking place in the CIS. Our union is open to all states. Not before long, I am sure, new members will enter it.

Dear friends, I genuinely believe as a politician that only those international agreements which improve people's lives have the right to exist. I am convinced that the treaty which we have signed today will fully live up to these high expectations, and will not be a cause of shame for us in the eyes of present and future generations.

We can now look full in the face of our mothers and fathers, of those who defended our common home in the years of the Great Patriotic War, and who rebuilt the country.

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I am convinced that the Belarusian and Russian peoples have a great future. We will join our efforts to overcome all barriers and we will enter the new millennium as a prosperous world nation.

Russia: Yeltsin Speech at Integration Treaty Signing Ceremony

LD0204081196 Moscow Russian Public Television First Channel Network in Russian 0700 GMT 2 Apr 96

[Speech by Russian President Boris Yeltsin at signing ceremony of integration treaty between Russia and Belarus, in St. George's Hall in the Kremlin — live]

[FBIS Translated Text] Esteemed Alyaksandr Rygoravich [Lukashenka], dear friends. An historic moment has come in the relations between the Russian Federation and the Republic of Belarus. We are now to sign a document which opens up a qualitatively new stage in the history of the two fraternal peoples, the two sovereign states. The president of Belarus and I will sign a treaty on creating a community of sovereign states. From now on we will follow a path of radical reforms and renewal together, united. It is deeply symbolic that it is precisely Russia and Belarus which have been the first amongst the CIS countries to make this choice. We have common Slavonic roots, a common history over many centuries. There are few peoples in the world whose human destinies have been so closely intertwined. In signing the treaty, the presidents of Russia and Belarus are expressing the will of millions of their fellow citizens, their hopes and aspirations.

I am convinced that our peoples deserve to live better than they do now. It is for this that we are uniting our efforts. I intend to do everything within my powers in order quickly to attain positive movements, first of all in the social sphere, so that our treaty should earn a full yield for the good of people.

I cannot but say some good words to all those who are firmly devoted to the principles of the unification of our countries, who through their intense everyday work have brought this festive day closer. The many months of efforts by the governments, ministries, and experts have led to the fact that today's treaty has become a reality. Russia and Belarus are grateful to you, friends.

Alyaksandr Rygoravich and I have agreed that after the signing we shall make a more detailed statement and explain to the public and the whole world the aims and the essence of the treaty. But now, to work! [applause]

Russia: Belarusian President's Speech at Treaty Signing

LD0204104196 Moscow Russian Public Television First Channel Network in Russian 0700 GMT 2 Apr 96

[Speech by Belarusian President Alyaksandr Lukashenka at the signing ceremony of the Russian-Belarusian treaty in the Kremlin's St. George's Hall — live]

[[FBIS Translated Text] Esteemed Boris Nikolayevich, your Holiness, dear friends. An event which our peoples have striven toward all these years is to take place in a few minutes' time. The presidents of two fraternal countries will sign a treaty on the formation of the community of sovereign republics which I am convinced will become a common home for the peoples of Belarus and Russia. The creation of the community is a decisive step forward toward overcoming the very unnatural state in which the economic, political, and cultural ties that were formed over centuries between Belarusians and Russians were severed.

By uniting their intellectual and material resources, the Belarusian and Russian peoples will be able to overcome crisis phenomena more quickly and will play a more dynamic role in today's international relations. The community will not only not restrict Belarus and Russia as legal entities but also, I am sure, will strengthen the sovereignty of our states. For the Russian president and I, what is especially important is the fact that the community is being created not for opportunistic purposes, not to suit any political groups or parties but in the interests of ordinary people — Belarusian and Russian citizens.

After the treaty is signed, they will have immeasurably more opportunities to realize their potential and to protect their rights and freedoms. Joint programs financed out of the community's budget will have pivotal importance in the community. I have no doubt that the Chernobyl program will be program number one, both in order and in importance.

We Belarusians value the fact that Belarusian-Russian relations are developing on the basis of equality and fair consideration for the interests of the two countries and peoples. From Russia we see a respectful and truly fraternal attitude to our state and our people, which is just how Belarusians respond to Russians. I can say in all certainty that our relations today are a model of friendship and cooperation. Belarusian-Russian integration is riveting the world mass media. People are watching this process not only on the territory of the former Soviet Union, but also beyond it.

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Honest people cannot fail to welcome this sacred cause. But there has also been much casting of aspersions. In this connection I would like to stress that the community will be the supremest form of integration so far on the territory of the former Soviet Union and I am sure that it will harmonize perfectly with the mechanism for cooperation envisioned by the treaty between Belarus, Kazakhstan, Kyrgyzstan, and Russia, signed on 29 March in this very same hall.

I disagree with those who claim that the formation of the community will weaken the Commonwealth of Independent States. Rather the opposite: it will impart particular dynamism to the processes occurring within the CIS. Those who are truly committed to honest cooperation will inevitably join us. For today's event to bear the fruits which the peoples expect of it, considerable hard work, political will, wisdom, and accord will be required of us. Boris Nikolayevich and I will act as guarantors of the irreversibility of this process.

Today, we are making an historic step forwards, thanks to which the Belarusian and Russian peoples will enter the 21st century as a united and prosperous family. Good luck [dobryy put] to the Community of Sovereign Republics. [applause]

Russia: INTERFAX Receives Copy of Russian-Belarusian Union Accord

LD0104204296 Moscow INTERFAX in English 1941 GMT 1 Apr 96

[FBIS Transcribed Text] MOSCOW, April 1 (Interfax) — Interfax has received the plan for the Agreement on the Creation of a Community of Sovereign Republics containing specific measures for strengthening economic and political ties between Russia and Belarus.

The agreement, to be signed tomorrow by Russian and Belarusian Presidents Boris Yeltsin and Alyaksandr Lukashenka says the countries "will coordinate their foreign policies, share positions on major international questions, work together to provide security, guard borders, and fight crime."

The project, given to the State Duma Monday, states that "for security purposes, the sides agree to develop shared principles of military construction, using elements of the military infrastructure in accordance with national law."

To create a single economic space, an effectively functioning shared market and the free movement of products, services, capital, and labor forces, economic reforms will gradually create a single legal basis "for destroying all intergovernmental barriers and limits to free trade" by 1997.

"The sides will create a unified system of anti-monopoly law, taxes, government support of industry, investment programs, laws for labor protection, and also complete the creation of a shared customs space with a single management" during this time, the project states.

The two sides must "take measures to create a shared transport system with a single tariff for transporting cargo and passangers, and also a single energy system, with a shared scientific, technological and informational sphere," before the end of 1996, according to the project.

"A transition toward creating joint manufacturing forces and coordinating their use in the interest of both sides" will begin in 1997, the project reads.

"The unification of the money-credit and budget systems, and the creation of conditions for a single currency will take place before the end of 1997," the project reads.

The highest structure of the Community will be the High Council, made up of the heads of both governments and administrations, the parliamentary speakers, and the chairman of the Executive Committee. A Parliamentary Assembly, with equal numbers of legislators from each side, will be created. The High Council will form an Executive Committee as the permanent executive structure, and other administrative structures for organizing the practical application of the agreement, the project states.

"The Community's budget will be formed by an annual withdrawal of funds from the budgets of both sides, and will be directed toward financing joint programs and the structures of the Community," the project reads.

"Each side in the Community of Sovereign Republics retains its governmental sovereignty and territorial integrity, its constitution, flag, coat of arms, anthem, and other attributes of government power," the project stresses.

Russia: Many Aspects of Integration With Belarus 'Unresolved'

MK0204120396 Moscow SEGODNYA in Russian 2 Apr 96 p 1

[Report by Elmar Murtazayev: "'The Union of the Two': Easy To Conclude But Hard To Realize. The Agreement Is of a 'Political Rather Than an Economic Character'"]

[FBIS Translated Text] Today, at around noon, after the signing of a Russian-Belarusian treaty in the Kremlin, Boris Yeltsin and Alyaksandr Lukashenka — in accordance with the scenario of the festivities — will exit the Georgiyevskiy Hall through the Holy Passage to the

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Red Porch, from whence, "to solemn music," they will descend to Sobornaya Square to meet representatives of the Russian and Belarusian public, 1,000 people from each, waiting for them there. Unlike the details of the festive program, little is known for certain about the treaty itself.

In accordance with the agreement, it is planned to set up interstate executive bodies, including representatives of the presidents and governments of the two countries, as well as an interparliamentary council. According to Federation Council Chairman Yegor Stroyev, "decisions of the supranational bodies will be binding on both states." This notwithstanding, in an interview with SEGODNYA, a high-ranking government official said that the agreement with Belarus is of "a political rather than an economic character," since the functions of the supranational bodies "will remain within the framework of coordination."

Among the economic novelties, unification of economic legislation can primarily be emphasized. The civil codes of Russia and Belarus will be unified as regards tax regulation, mechanisms for registering and licensing business activity, and business accounting. According to the source, "of fundamental significance" is the coordination of governmental decrees and statutory acts of both countries. In his words, mutual admission of authorized banks to interbank currency markets and state securities markets of both countries is "highly probable" in the near future.

Despite this, the agreement in its present form leaves many issues unresolved. It is not quite clear how the countries will unify the regulation of foreign economic activities. The temporary trade agreement signed between Belarus and the European Union [EU] infringes on Russia's interests, since, first, under the EU antidumping procedure, large-scale discrimination against Belarusian and, hence, Russian goods is possible and, second, the Belarusian Government is objecting to Russia's demand that customs inspection of goods imported from third countries in transit via Belarus be retained. In addition, Belarus is insisting on its independent participation in international commercial arbitration, which also runs contrary to integration intentions. Thus, Alyaksandr Lukashenka's declaration about "an EU-type union" is, to say the least, premature: As is known, in the EU, the sphere of foreign trade is regulated with special care. Mutual claims, as well as any controversies with respect to laws and governmental decrees currently in effect in Russia and Belarus, will probably be settled after the signing of the agreement, as in the case of the agreement between Russia, Kazakhstan, Belarus, and Kyrgyzstan.

The problem of mutual debts remains equally unclear: According to information from the Russian Government, at present the Russian and Belarusian finance ministries are busy determining the amounts of debts. Despite the fact that the Belarusian debt is much greater, the sides "tend to favor a zero option," i.e. the mutual offsetting of debts. Such a scenario, however, is worrying some Russian economic agencies a great deal. In facgt, a precedent is being created sure to be taken advantage of by other debtor nations within the CIS.

Russia: Tikhonov: More CIS States May Join Russia-Belarus Union

LD0104205096 Moscow INTERFAX in English 1757 GMT 1 Apr 96

[FBIS Transcribed Text] MOSCOW, April 1 (Interfax) — The first move towards closer integration which Russia and Belarus will make on April 2 could be supported by Kazakhstan, Kyrgyzstan and Tajikistan in the foreseeable future, Chairman of the State Duma Committee on CIS Affairs Georgiy Tikhonov of the Popular Rule group of deputies told Interfax.

Tikhonov thus commented on the draft of the Treaty on creating the Community of Sovereign Republics which is to be signed by the Russian and Belarusian presidents on April 2 and was submitted to the State Duma Tuesday.

Tikhonov praised the treaty's contents. He said he believed that the State Duma's resolutions of March 15 on denouncing the 1991 Belovezhskaya Pushcha Accords which disbanded the USSR and formed the CIS "gave a push to closer integration between our countries."

Russia: Work of Russian-Ukrainian Military Working Groups Detailed

MM0104151496 Moscow KRASNAYA ZVEZDA in Russian 30 Mar 96 p 1

[Report by special correspondent Aleksandr Pelts: "Military Tries To Clear Way for Politicians"]

[FBIS Translated Text] Tysovets — It is essential not only to expand cooperation in the military sphere as much as possible and to step up contacts between defense ministers, but also to talk more about what benefit this brings to the peoples and armies of Russia and Ukraine. This thought was expressed at a plenary session by delegation leaders Russian Defense Minister Army General Pavel Grachev and Ukrainian Defense Minister Valeriy Shmarov.

The working groups of the two military departments continued work 29 March. We remind our readers that

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experts, chiefs of main directorates, and commanders in chief of the branches of Armed Forces have formed 14 working groups. While preparations to sign the documents were being made and all the questions which have cropped up were being agreed, the Russian and Ukrainian defense ministers held yet another one-on-one meeting behind closed doors.

Working group number one is headed by Admiral Feliks Gromov, commander in chief of the [Russian] Navy, and Vice Admiral Vladimir Bezkorovaynyy, commander of the Ukrainian Navy. In conversation with KRASNAYA ZVEZDA's correspondent Admiral Feliks Gromov noted certain progress on agreeing the details of the second stage of the handover to the Ukrainian side of the coastal facilities, ships, and vessels of the Black Sea Fleet. If the defense ministers confirm the plan for the transfer proposed by the working group, this process could actually begin this year. In total, to the 29 vessels already transferred, almost 50 further ships and vessels are to be added. Agreement on the methods and the schedule for recycling the Black Sea Fleet's decommissioned munitions has already been reached.

Colonel General Yevgeniy Vysotskiy, chief of the Russian Federation Ministry of Defense Main Administration of Cadres and Military Education, who heads on the Russian side another working group of experts, noted good mutual understanding and a businesslike approach to the solution of all questions. Certain details of our cooperation in the training of military cadres have still to be spelled out, but on the whole questions of training specialists of various profiles in military higher education establishments in Russia and Ukraine gave rise to no difficulties, he stressed. The leaders of the working groups which have been discussing the problems of collaborating over air defense systems, military-technical cooperation, the building of Russian ships at Ukrainian plants, and other questions, will call on the Russian and Ukrainian defense ministers this afternoon with specific proposals for the further expansion of cooperation.

It is expected that Defense Ministers Pavel Grachev and Valeriy Shmarov will sign more than 10 documents 29 March.

Russia: Chernomyrdin Notes Positive Relations With China

LD0104150296 Moscow ITAR-TASS World Service in Russian 1425 GMT 1 Apr 96

[FBIS Translated Text] Moscow, 1 Apr (Itar-Tass) — Russian Prime Minister Viktor Chernomyrdin is convinced that Boris Yeltsin's visit to Beijing scheduled for the second part of April this year will give a powerful new impetus to Russian-Chinese relations. Chernomyrdin was speaking in Moscow on Monday [1 April] while receiving Qiao Shi, the chairman of the standing committee of the Chinese National People's Congress.

The Russian prime minister said that what distinguished relations between the two countries last year was the heightened frequency and closeness of contacts.

"Friendly good-neighborly relations between Russia and China are developing in a positive direction," the head of the Russian cabinet said.

Russia: Duma Speaker Seleznev: Chinese Relations 'Priority'

LD0104202696 Moscow INTERFAX in English 1943 GMT 1 Apr 96

[FBIS Transcribed Text] MOSCOW, April 1 (Interfax) — Russian State Duma Chairman Gennadiy Seleznev has said he sees friendly relations with China as a priority of Russia's foreign policy.

Russian-Chinese political and economic cooperation is now developing "on a high level," Seleznev said at a meeting with Qiao Shi, the chairman of the Standing Committee of the Chinese National People's Congress, Monday.

Russian MPs and all Russians are "much interested" in China, especially in the Chinese experience of reforms, Seleznev said. The parliamentary group for friendship with China includes 19 Duma deputies, he said.

Regarding the Taiwan problem, Seleznev said Russia's position regarding this issue was "principal."

"For us, China exists as one unit," he said.

To this effect, Seleznev thanked Chinese MPs for "pursuing a similar policy while standing for unified and indivisible Russia."

Seleznev and Qiao Shi said they were satisfied with the dynamic of relations between the two countries' parliaments and their prospects.

The Chinese National People's Assembly is always ready for full interaction with the State Duma, Qiao Shi said.

The meeting between Seleznev and Qiao Shi also involved leaders of Duma factions and groups of deputies.

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Russia: Primakov Views Military Cooperation With India

LD0104185896 Moscow INTERFAX in English 1819 GMT 1 Apr 96

[From the "Diplomatic Panorama" feature]

[FBIS Transcribed Text] DELHI, March 30 (Interfax) — Russian-Indian military technological cooperation does not destabilize the situation in the region, Russian Foreign Minister Yevgeniy Primakov told a press conference in Delhi Saturday.

"Since India does not destabilize the situation in the region, Russia proceeds from the assumption that nor will cooperation with this country," Primakov said in answer to an Interfax question. "India is one of Russia's top-priority partners."

Primakov and his Indian counterpart, Pranab Mukherjee, signed an intergovernmental agreement to establish a direct telephone hotline between the Kremlin and the Indian PM's residence.

This hotline is evidence of the level of relations between the two countries, Primakov told Interfax. He made it clear that the line will be used to discuss confidential issues.

The Russian-Indian cooperation is not intended against China or any other countries, Primakov said. "Both Russia and India are interested in very good relations with the great China," he underlined.

At the same time, Primakov admitted a pro-western bias in Russia's foreign policy in the first years after the breakup of the former Soviet Union. "Relations with the former cold war opponents must have been normalized," he said. However, even in those years Russia knew what place India occupies in the world, President Yeltsin's 1993 visit to Delhi being evidence of it, he said.

Primakov supported a peaceful solution to the Kashmir issue and spoke against its internationalization.

He answered laconically "Yes" to the question if Russia would welcome India's joining the non-proliferation treaty.

Russia: Polish Ambassador Remarks on Warsaw's Plan To Join NATO

LD0104202196 Moscow INTERFAX in English 1757 GMT 1 Apr 96

[FBIS Transcribed Text] MOSCOW, April 1 (Interfax) — Poland has nothing against Russia, but it intends to join NATO, and not on the "French model" suggested by Russia in which East European countries would join only NATO's political organs, Polish Ambassador to Russia Stanislaw Ciosek told a press briefing.

The NATO question, however, is "fabricated and artificial" he said, because "once the countries of central and eastern Europe join the alliance, it will become a completely different organization." Further, "Poland's desire to join NATO does not mean Poland desires to distance itself from Russia," Ciosek said. "We have no ill will toward Russia." And, besides NATO, Russia and Poland have no problems they cannot work out.

But, he said, "there can be no organization which will build a system of European security without Russia's help."

The "French model," however, is out. "You can't be a little pregnant," Ciosek said. "We want to integrate into Europe, and Europe is the EU, Council of Europe, OSCE, NATO, and other organizations, spanning the entire continent."

"If Europe does divide, which would be catastrophic for everyone, and Warsaw is forced to choose, we will choose the victors," Ciosek said. "A divided Europe failed by all parameters. Why accept an invitation to an empty table?"

Polish President Aleksander Kwasniewski will visit Russia April 9-11.

Russia: NATO Steps Up Surveillance of Northern Fleet Submarines

MM0104154596 Moscow KRASNAYA ZVEZDA in Russian 30 Mar 96 p 1

[Report by Nikolay Poroskov and Mikhail Sidelnikov: "Before Flying Out To Intercept"]

[FBIS Translated Text] Major Aleksandr Zaletayev, military pilot first class, has a nice smile, but this time it proved somewhat restrained — Major Yevgeniy Gusev, his partner, had been in the cockpit of the Su-27 interceptor for approximately one hour. He was sitting there ready for an Orion, as they say in the air regiment of the Kola Air Defense Combined Unit. This NATO reconnaissance aircraft, which specializes in seeking out our submarines, had been patrolling the airspace not far from Russia's state border, and Zaletayev now had to relieve his colleague in the fighter's cockpit.

Lieutenant Colonel Vladimir Semenov, the regiment's deputy commander, told us that flights by NATO aircraft have recently been stepped up. Lynx helicopters and RS-135 electronic reconnaissance aircraft pay visits to neutral waters, and Orions are having to be chased away more and more often, so that our submarines can submerge when leaving the gulf — from the Northern

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Fleet's base. This year the well-known SR-71 has been demothballed and has begun reconnaissance flights. Taking advantage of its great speed, it will now set about testing our air defenses once again.

How will we respond? Owing to the fuel shortage, only about 10 aircraft of the alert forces will actually take off in a year. Let us compare: In the best years there were 400-500 of them! A simulator could help to restore skills, but the equipment still lies like a dead weight — there are no funds to construct premises (a two-story building of average size is required) or to pay the installers of the apparatus.

But even under these conditions air defense pilots do their usual thing. They escort missile-carrying strategic aircraft on flights "around the corner," i.e., past Norway. They encounter NATO aircraft in neutral waters, including F-16 combat aircraft. They approach each other to a distance of a few dozen meters. Of course, the others know about our chronic difficulties, but they still give us the thumbs-up signal, thereby showing admiration for our hardware, armament, and our pilots' flying ability.

With the help of a soldier-mechanic Maj. Zaletayev donned a bright orange sea-rescue suit. Then the flyer's head was crowned by the white sphere of a protective helmet. Soon he was climbing the steps into the fighter, which was standing there ready to go [stoyashchiy "pod parami"], and beneath whose wings the missiles were cooling in their racks. The order to take off might come at any second. Maybe right at the last second [Mozhet, k samomu 12-mu meridianu].

Russia: Yeltsin Appoints Head of Delegation at UN Commission

LD0104181896 Moscow ITAR-TASS in English 1754 GMT 1 Apr 96

[FBIS Transcribed Text] MOSCOW, April 1 (Itar-Tass) — Russian President Boris Yeltsin has signed an instruction appointing Boris Krylov the head of the Russian delegation at the U.N. Human Rights Commission for 1996-1997, the presidential press service said on Monday [1 April].

Boris Krylov, professor in law, currently works at the Institute of Legislation and Comparative Jurisprudence.

Russia: Chernomyrdin, Moldova's Sangheli Discuss Cooperation, Debt

LD0104171096 Moscow INTERFAX in English 1454 GMT 1 Apr 96

[FBIS Transcribed Text] MOSCOW, April 1 (Interfax) — Russian Prime Minister Viktor Chernomyrdin held talks with his Moldovan counterpart, Andrei Sangheli, in Moscow Monday afternoon, the Government Information Department told Interfax.

The two officials discussed bilateral economic and social cooperation, rescheduling Moldova's debt to Russia and observing the principle of mutual benefit in trade.

Moldova's debt for Russian gas totalled 1.55 trillion rubles on March 1, 1996.

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Political Issues

Russia: Yeltsin Proclaims 2 Apr 'Day of Unification of Nations'

LD0204121596 Moscow ITAR-TASS in English 1056 GMT 2 Apr

[By Andrey Shtorkh]

[FBIS Transcribed Text] MOSCOW, April 2 (Itar-Tass) — Russian President Boris Yeltsin announced at the Kremlin reception in honour of the formation of the Community of Sovereign States that April 2 will henceforth be celebrated as a national holiday in Russia and Belarus.

Yeltsin said the decision to proclaim April 2 as Day of Unification of Nations was made upon consultation with all groups and factions in the parliaments of the two countries and the chairmen of the two houses of the Russian Federal Assembly.

Each president will issue a decree proclaiming the new holiday, Yeltsin explained.

Moreover, every country which will join the agreement in the future will proclaim April 2 a national holiday, he said.

Russia: Gorbachev's Low-Key St. Petersburg Campaign Visit Cited

MM0204104996 Moscow ROSSIYSKAYA GAZETA in Russian 30 Mar 96

[Report by Sergey Alekhin: "In St. Petersburg They Act the Same Way They Did in Leningrad" — from the "Home And Homeland" 30 March-5 April section]

[FBIS Translated Text] St. Petersburg — Spring has finally arrived in St. Petersburg and the citizens sense its presence everywhere. But there is a special sign of spring: One after the other the Russian presidential contenders are flying into the northern capital.

Apparently, it is becoming a tradition for politicians intending to participate in the election to make official statements on the banks of the Neva rather than in Moscow. So it was that last Wednesday yet another representative of the "third force," Svyatoslav Fedorov, delivered his campaign statement at Pulkovo Airport, surrounded by St. Petersburg journalists.

At the end of last week reporters and photographers were at Pulkovo again to greet former USSR President Mikhail Gorbachev and his wife. It was a low-key meeting and no city official, even of the lowest rank, was observed to be present. No matter what opinion of Gorbachev may be held by the current occupants of the two majestic buildings on "Dictatorship of the Proletariat" square, where the city and oblast authorities sit, the stance they adopted during the visit by the former superpower president reminded me of a visit to Leningrad by B.N. Yeltsin, when the local party authorities, fearing Gorbachev's wrath, literally hid in corners. I don't think I need to remind you how it all ended.

They are saying that St. Petersburg did not receive Gorbachev. Indeed, he made his official statement agreeing to run for the presidency, and voicing the reasons that prompted him to do so, not in the massive interior of the Kirov or Metallicheskiy Plants, where he was simply not admitted, but in the modest auditorium of the Pedagogical Institute named for Herzen, where the lighting was poor and the PA system bad. They would not have Gorbachev at the Izhorskiy and Nevskiy Plants — in short, not one major military-industrial complex enterprise dared receive the former president. Why? It is, of course, hard to believe that the St. Petersburg workers had nothing to say to today's Gorbachev, particularly as, when you visit labor collectives, you often hear people say — in fact they are always saying — "I would say to him...."

There were instructions, of course. One engineer at the Metallicheskiy Plant told me: "It is insulting when they don't trust you. We recognized what people are about a long time ago, but those who issued the instructions were evidently mindful of the fact that the people, if not love, then at least feel sorry for the underdog. If the local authorities have again decided to oblige them, they appear to have performed a disservice."

One remembers that during another visit the whole of St. Petersburg was festooned with posters. During the seven-minute walk from my home to the subway I counted more than 40. They were on every lamppost. It turned out later that the posters lined only three roads which the important visitor would be driving along. Has past history taught you nothing?

Russia: Zyuganov's Support Base Examined

964F1614A Moscow OBSHCHAYA GAZETA in Russian 21-27 Mar 96 No 11, p 8

[Article by Lev Sigal, under the "Under the Rug" rubric: "The Leader and His Spiritual Heirs"]

[FBIS Translated Text] On Mondays, in accordance with a set schedule, whole herds of party leaders and solo politicians, from Anpilov, Lapshin, Rutskoy, and Ryzhkov, to the Moscow Association of Russian Koreans and the New Age artists association, sign an agreement on support for Gennadiy Zyuganov as the sole leader of the People's Patriotic Forces of

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Russia. It seems that Gennadiy Andreyevich is actively strengthening ties on the side, which gives grounds to ponder that today there lives a genuine "collective Zyuganov."

The prominent member of the elite and deputy chief of the ideological department of the CPSU Central Committee is collaborating closely with his ideological foes for the fifth year in a row. The highly placed functionary Zyuganov has always been drawn to Russophile men of the soil. In the company of several dozen leaders of midget patriotic associations (including even monarchists), he has already created the Coordinating Council of the People's Patriotic Forces, acted as leader both of the Russian All-People's Union, together with Baburin, and of the Russian National Council, together with General Sterligov, as well as of the omnivorous National Salvation Front, where he was one of eight cochairmen; and his differences with Marxist-Leninist ideas are known to all.

His fundamental work, symbolically entitled "Great Power," seems to have been written not by the leader of the Communists, but by a clerical monarchist. The author does not tire of gushing over the "measured," "brilliant" slogan of Count Uvarov, "Autocracy, Orthodoxy, the People"; and in the place of "extremist theses of class struggle," "a longed-for inter-estate, inter-class harmony" is proposed; and so on. A pardonable heresy, it would seem: After all, Gennadiy Andreyevich was setting forth not the CPRF [Communist Party of the Russian Federation] platform, but the principles of a broad "people's patriotic coalition." But the point is that he personally intends to head it. And even his presidential nomination was advanced not by the party, but by a citizens action group.

Zyuganov gets extraparty ideological, organizational, and financial support today from the movement Spiritual Legacy. The leader of the movement is 43-year-old Aleksey Podberezkin, head of the analytical center RAU Corporation (today Podberezkin is deputy chairman of the Duma International Affairs Committee). RAU stands for the Russian-American University, but jingoists are wrong to look for Uncle Sam's intrigues here. The project to create a center of instruction with the attraction of American investments fizzled out back in 1990, but the name remained. The RAU Corporation is a purely patriotic institution: Analysts from the Union Ministry of Foreign Affairs, the Central Committee, the KGB, and the General Staff work here. In 1992, a year so "black" for the Communist Party, Gennadiy Andreyevich himself was also listed as a consultant here and received his modest piece of bread.

Mr. Podberezkin is a great-power adherent and an anti-Atlantist, but is by no means a "comrade"; in 1990 he even left the CPSU. According to his former colleagues, Aleksey Ivanovich "imagines himself an all-powerful educator," and therefore the RAU Corporation got down to the intellectual guidance of ideologically kindred politicians who seemed to have prospects. For a long time they worked on Vice President Aleksandr Rutskoy, and then they tried to cooperate with Yekaterina Lakhova; they even began to send analytical notes to Boris Yeltsin, until they settled on Zyuganov.

In 1994, the RAU Corporation plus actor and director Nikolay Gubenko, Academician Nikita Moiseyev, former KGB Fifth Directorate General Valeriy Vorotnikov, and a number of other figures put together the Spiritual Legacy. At first they wanted to create their own separate party, but then they thought it made more sense to become a support for the leader of the CPRF independent of the party. That leader assessed this gesture in generous fashion: Three representatives of Spiritual Legacy were included in the core dozen of the CPRF preelection list; Nikolay Gubenko was first on the Moscow list, and another "spiritual heir" was second with respect to the Volga-Vyatka group of regions; and all of them now sit in the Duma.

These "sympathetic nonparty people" are oriented not on the CPRF as a whole, but on its leader personally. The leader of the Leningrad Oblast Party Committee, Yuriy Belov, and Secretary of the Central Committee of the CPRF, Viktor Peshkov, belong in the category of "firm Zyuganovites" within the party elite itself. Peshkov now manages the preelection headquarters, but previously he had been Zyuganov's aide, in charge of, among other things, questions of providing for his security. Thus, Peshkov to Zyuganov is the same as Ilyushin and Korzhakov taken together to Yeltsin.

However, neither does it do to overestimate the leader's emancipation from the party oligarchy. Of course, guardians of the purity of the Marxist-Leninist ideology, internationalists, and also left-wing social-democrats do not enjoy any great influence in the CPRF. To this category belong followers of the chairman of the Union of Communist Parties—CPSU, Oleg Shenin; Ivan Osadchiy's Russian Society of Socialism-Orientated Scientists; and Richard Kosolapov's Leninist Position intra-party group. But they nevertheless were able to include in the party program the unity principle of "patriotism and internationalism"; and the "Russian idea," dear to Zyuganov's heart, is called, to the great displeasure of the "white patriots," a "deeply socialist" one. As for the book "Great Power," which created a furor, it is interpreted as the fruit of the mind of a

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political scientist and political journalist, and not the manifesto of a politician.

Much more significant is the role of the moderate-conservative core of the Central Committee Presidium and the Council of the CPRF faction. Zyuganov is in many things compelled to take into consideration the number-two man in the party, Valentin Kuptsov. First of all, Comrade Kuptsov holds in his hands all the threads of the organizational work, and second of all, according to informed sources, only Valentin Aleksandrovich personally can communicate with a significant portion of the sponsors.

The third person in the party is Anatoliy Lukyanov (some even respectfully call him Deng Xiaoping). The thing is that the central apparat of the CPRF is almost exclusively an apparat of the Duma faction, where Lukyanov is especially influential, if only as the chairman of the parliamentary Legislation Committee. According to well-informed experts, Kuptsov and Lukyanov do not yield to Zyuganov in their degree of influence on the faction's activity.

It is difficult to interpret unambiguously the philosophical platform of this oligarchy: In some ways they are orthodox left-wingers, and in others, on the contrary, social-democrats. One thing is clear: They uphold the principle of collectivity of leadership and keep their chief from taking any nonstandard steps.

Somewhere between the leader and the oligarchy, but closer to the latter, are settled Duma speaker Gennadiy Seleznev and Duma committee chairmen Viktor Zorkaltsev and Yuriy Maslyukov. They are pragmatists with prospects of an evolution in the social-democratic direction. Incidentally, former USSR State Planning Committee chairman Maslyukov is the most likely contender for the role of prime minister or economics minister.

Essentially, Zyuganov is consciously playing an ambiguous role. He is not distancing himself from the "Reds," but at the same time, he is not blending into the crimson background, and is keeping himself set apart. As a result, the patriots complain of a monopoly and the preponderance of Communists and resent Zyuganov's treating them not as partners with equal rights, but as satellites. On the other hand, many "comrades" are also dissatisfied with him and suspect him of "treachery," "conciliation," and other "right-left-wing deviations."

At a recent press conference, Gennadiy Andreyevich gave journalists to understand that he would not leave the party if he became president. But neither will he, according to data available to OBSHCHAYA GAZETA, become general secretary. In this case, the leader of the CPRF will most likely be Kuptsov. This circumstance gladdens the heart of not everyone in Zyuganov's inner circle. And there are also other cracks in the "red monolith."

State Duma chairman Seleznev recently proposed to Yeltsin that amendments immediately be introduced into the Constitution and that the institution of the presidency be abolished. Contender Zyuganov made no haste to concur with his brother-in-arms. Who knows whether Kuptsov, Seleznev, and Lukyanov will not find themselves in opposition to President Zyuganov? Then the "spiritual heirs" and their like-thinkers could turn into a patriotic Politburo.

Russia: Presidential Hopeful Yavlinskiy Profiled

964F1572A Moscow ROSSIYSKAYA GAZETA in Russian 21 Mar 96 pp 1, 3

["Candidate Portrait" by political scientist Aleksey Kiva: "You Can't Get to the Kremlin in '500 Days'"]

[FBIS Translated Text] ROSSIYSKAYA GAZETA is starting a new column—Candidate's Portrait. There is no one, perhaps, who is today in any doubt that of the numerous contestants for the presidency, only four names may be taken seriously: Boris Yeltsin, the current head of state, and the leaders of parties and movements—the Communist Gennadiy Zyuganov, Vladimir Zhirinovskiy (LDPR), and Grigoriy Yavlinskiy (Yabloko). We begin the "portrait" gallery with material on the author of "500 Days."

Grigoriy Yavlinskiy entered the presidential race without ideas that unite society or an economic model with its own identity, but with a surfeit of something else—what can be realized only in dreams.

Defeat Is Always an Orphan

Aside from talent, industriousness, and sundry virtues, a substantial role in life is performed in addition by Lady Luck. I am convinced that both in the United States and in Britain or Germany a person with the qualities of Grigoriy Yavlinskiy not only would not acquire such stunning popularity as here, he would not be known at all.

Fame came to him in 1990. Was he Dreiser's "financial genius" or, at least, a person of Artem Tarasov's grasp? No! An illustrious economist like the young Maynard Keynes or the mature Wassily Leontief? God forbid! He had not as yet made even a mark in economic science. Perhaps he was a young politician with outstanding gifts, as Nizhegorod Governor B. Nemtsov appeared to be at one time? Hardly that either.

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What attracted many Soviet people's attention to Yavlinskiy was this. He was young, tall, quite likable, and always had a smile. In a word, a nice, charming person. His chief virtue was his ability to speak simply and intelligibly about complex problems of the Soviet economy. And to speak colorfully and compellingly, what is more. To speak in such a way that the uninitiated might harbor the illusion that were there in high positions in the USSR such people as himself, we would finally be bursting free onto the wide path of reforms.

The country was by that time awaiting new people with new approaches, new ideas. Awaiting the appearance of a new generation of politicians in general. It was under these conditions that programs began to emerge—initially "400 Days," then, "500 Days". Various people, including such respectable ones as S. Shatalin, took part in drafting them. But understanding what the presentation of such programs for trial by ordeal involved, they deemed it prudent to remove their names from the drafting. The team of young economists headed by Yavlinskiy had been working for quite some time in the United States—at Harvard. The baby was a collective one, although it came for some reason or other to be considered the program of Yavlinskiy alone. According, probably, to the principle which John Kennedy had once colorfully expressed: Victory always has parents, defeat is always an orphan.

The "500 Days" program was "orphaned" while yet unborn, on account of its utopian character, although it contained many sound components that were subsequently used by others, including the Gaydar team. Shatalin acknowledged quite recently that the program had been worked up inadequately and was reminiscent more of a manifesto than a working document.

Yavlinskiy's second "far-reaching program"—"Grand Bargain"—was altogether, in the opinion of serious analysts, beyond any criticism. If only because it contemplated huge infusions of resources on the part of the West.

Each Time Has Its Heroes and Anti-Heroes

Many questions arise as to why it was Yavlinskiy, who hitherto had been completely unknown, who took up so far-reaching a cause as reform of the "Land of Soviets." How did he come to find himself in the field of vision of the powers that be?

No serious economist, especially one who senses the breath of the times, has been cut out for the role of miracle-worker. In this sense Yavlinskiy had a tremendous advantage. First, he was as yet nobody. Or someone like Balzac's Rastignac—a provincial who set himself the goal of conquering Paris. Proud, ambitious, and full of energy and zeal. And, undoubtedly, not without capabilities.

Second, he was far removed from real politics. He did not understand all that links politics with economics, social life, ideology, the mass consciousness, public mentality, and so forth. It seemed to him that it was only necessary to map out a sound plan of the restructuring of society, and the strong of this world, avid for change, would rush into his embrace. Exactly as the great utopians Thomas More and Tommaso Campanella thought. Yavlinskiy simply has still not, in my opinion, grasped that even had the "500 Days" program been executed by Keynes himself and approved by Franklin Roosevelt, Gorbachev would still not have ventured to implement it on account of the prevailing correlation of forces in the ruling circles and, I fear, the mood in society also.

Third, Yavlinskiy was not vouchsafed not only keen political flair but also a sense of perspective. Plunging into work on the "Grand Bargain" program, he failed to notice, as it were, that the disintegration processes were so far gone that no programs could any longer halt the breakup of the USSR.

But that was a time of intensifying social crisis and of declining faith in the former values. Communism was on the point of once again becoming a specter, giving way to the specter of another Russian time of troubles. Journalists, who had for the first time acquired a voice, began to take the fortresses of previously forbidden topics by storm. Not only superficial and ignorant but bold critics of the system but also frankly odious personalities became fashionable. Society, for its part, was prepared more to believe in a miracle than to rely on realities.

Yavlinskiy was literally ever-present on the television screen also. He filled columns of the capital's newspapers and journals with his interviews "in earnest and at length." His voice—that of a preacher—could be heard on all radio programs simultaneously.

The Yavlinskiy vogue was based both on the current political situation and on certain constants of the Russian national character. When the democrats became disenchanted with Gorbachev, the failure of Yavlinskiy's programs was, understandably, for them a convenient pretext for hurling at the former rebukes for his fear of radical reforms and political cowardice. Had the "500 Days" program been adopted, allegedly, the country's progress would have been secured. Yavlinskiy succeeded in presenting himself in the eyes of many people—once again with the aid of the news media—not as a failure, which

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he in fact was, offering society utopian programs, but as an innovative economist rejected by inert rulers.

I am sure that Yavlinskiy could not even in his sweetest dreams have imagined that he would ever venture to lay claim to the highest office in the land. No, not so much lay claim but even think about such a thing. Ask those close to him and his friends, and they will surely confirm this.

Troubled times have, evidently, not only dark but also bright sides. Yavlinskiy obviously does not recognize that the situation that arose in Russia in the final years of perestroyka, but particularly following the collapse of socialism and the disintegration of the USSR, and also following the start of realization of shock therapy afforded boundlessly wide scope for the emergence at the forefront of politics of frequently incidental, small-time, and simply worthless people. He should rejoice at the opportunity that turned up, but he is uttering curses at the reformers and the reforms themselves.

What Kind of Winds Swelled the Sails

In order to undertake the reform of such a country as Russia following the domination of the Communists for more than 70 years it is necessary to be a personality on a large scale and have a broad imagination, a historical vision, strong character and will, and a heap of other qualities distinguishing a leader among those who, like himself, are frequently, it would seem, somewhat smarter and more educated. A politician's gift is a special gift. Whoever does not understand this is not a politician.

Yavlinskiy and Bill Clinton are roughly of the same age group, modern-type people. But when you listen to Clinton, you are struck by the fact that he has a profound understanding of both the essence and the difficulty of the changes that are occurring in Russia, their epoch-making nature, the difficult lot of the Russian reformers, and the fact that, as we say here, Moscow was not built in a day. But what can be understood from Yavlinskiy's speeches? Only one thing, perhaps: Everything is bad, hopelessly bad, and will remain this bad until he is in charge of the country and he cranks up his miracle-model, beginning everything from scratch, from a clean sheet, virtually. He is, apparently, at odds with those who led Russia into accomplishing a breakthrough toward the market economy and a state based on the rule of law, but not as Yavlinskiy had imagined and, most important, without him.

When a historian friend of mine with immense experience of the study of world social processes, a man of great erudition, asks what qualities Yavlinskiy has for him to lay claim to the office of president, listing here all his well-known weaknesses, I do not know what to say. At first I say: "He simply wants this." Then I add: "He evidently compares himself with Yeltsin or, rather, with Gorbachev— favorably for himself." But where, though, does this inflated appreciation of self come from?

First, I believe, Gorbachev was guilty of this. In giving the "go-ahead" for Yavlinskiy's trip to the United States, Mikhail Sergeyevich had his own purposes in mind—flirting, for example, with the more radical part of the reformers and democrats and, most likely, pressure on the most slow-witted part of his entourage. And his continued flirting with the West, of course. Gorbachev was with Yavlinskiy's assistance, possibly, further sounding out the public mood and conducting "battle reconnaissance" even.

Second, it is true also that the intellectual Yavlinskiy is in terms of both age and philosophy far closer to many of those who were calling (and who to a large extent are still calling) the tune in the news media than the former "partocrats," on whose shoulders, alas, our as yet infirm democracy is supported.

Whence, in all probability, the origins of Gaydar's paradoxical behavior in respect to Yavlinskiy. The latter has constantly been attempting to discredit him as a reformer. He has openly endeavored to destroy his base of support in the democratic milieu and to pull over his electorate to his side. Gaydar, on the other hand, has again and again offered the "principal apple" his hand and heart. What's going on here?! But take a closer look at Yavlinskiy's entourage, and you will see many people of the Kovalev-Gaydar type there. Despite the fact that there are undoubtedly also entirely sober-minded, perfectly realistic politicians in Yabloko also.

Third, some quite powerful commercial circles considered Yavlinskiy a promising politician and gambled on him. They began to create an image for him. Now, though, it seems, they are beginning to understand that they seriously miscalculated.

I believe that Yabloko also, as an artificial and essentially marginal structure, will, most likely, share the fate of Russia's Choice.

Fourth, the West also frequently does Russian democracy a bad turn. On the one hand it cannot, it would seem, have interests other than those of pulling Russia out of its isolation, enlisting it in the world community, ending the confrontation, and eliminating the threat that has in real or imaginary fashion emanated for it from Russia for several decades. But, on the other, whether from a deeply rooted mistrust of Russia or from ignorance and inertia, the West's news media often make common cause more with those who are fighting the

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young democracy in Russia than with those who are creating it before our eyes on the ruins of communism. In short, the West also had a hand in the shaping of the inflated self-appreciation of Mr. Yavlinskiy and the spread of the illusions concerning the particular prospects of this politician.

Image Metamorphoses

There was a period when Yavlinskiy almost disappeared from the field of vision. If his publications and statements appeared at all, they were in the channel of the criticism of Gaydar's reforms which economists and politicians from the entourage of Gorbachev and Brezhnev even had rained down on them from day one, virtually. The essence of the criticism amounted to the fact that what was being done was the wrong thing in the wrong way, and this sounded convincing. But as soon as they came to say "how it should be done," it became clear that they did not know since what was proposed cannot be done under Russia's specific conditions.

The impression is that Yavlinskiy was biding his time. He could not have failed to have seen that in practically all countries of the former real socialism social tension inevitably grows, the ranks of the victors spread and thin out, and the interests of the "new have's" are differentiated as soon as real market reforms begin. There is an increase also in the stratum of society on which Yavlinskiy could objectively rely. The lumpenized intelligentsia, engineering particularly, although not only it, the employees of sectors (primarily the military-industrial complex) which had found themselves in a particularly difficult situation as of the start of the shock therapy, and so forth. These are people who do not want to go back to communism but who are not in sympathy with Gaydar's policy either. And now Yavlinskiy's public appearances become increasingly frequent, and his criticism of the reforms and the reformers, increasingly sharply worded.

But this was a different Yavlinskiy. Acrimonious, exasperated, and given to hysterical outbursts. Extremely aggressive. And there has been a pronounced change for the worse in his purely external appearance even. He once greatly impressed me, and, I am sure, not only me. I initially did not attach any particular significance to his critical fervor, until his criticism became a castigation of all that has been done on the new path of development, blending, in fact, with the voices of the implacable opposition. And then the question arose: "Who, in fact, are you, Candidate of Economic Sciences Grigoriy Yavlinskiy?"

Profiting From the Fruit of Others' Labors?

At a time of troubles, when the entire previous scale of values has crumbled and the minds of many of us are in a real stew, everything or almost everything is possible. Only can you profit from the fruit of others' labors? This, it would seem, is precisely what Yavlinskiy is trying to do. After all, he himself has, in fact, not that much to his name. No vision of the society which Russians would accept in the place of real socialism. No national ideology and no unifying ideas, without which it is impossible to progress successfully under the conditions of the present most profound social crisis. Nor does he have some in any way working economic model with its own identity. There is precisely nothing that could not be realized by others or that might surpass what could be proposed by others. But, on the other hand, there is much that may be realized only in dreams.

Let us take the latest opus of the author of "500 Days"—a bulky book with a photo of Yavlinskiy on the cover and the promising title "Reform for the Majority." You read and rejoice at how generous are the authors of the Yabloko program, which is intended to catapult the "principal apple" into the Kremlin, right into the presidential chair. And suddenly your eyes pop out: "In terms of size it (the Russian Army—A.K.) can hardly be less than the combined level of the armies of the three or four leading European powers. In terms of provision with equipment and level of R&D (if not in terms of the quantity of modern classes of arms) it should be comparable with the armed forces of the United States."

Here's a fine carry on! The authors started on a merry note and failed to spot how they switched to a sad one. You don't have to be a candidate of economic sciences to calculate that the aggregate GNP of the three or four leading European countries (the FRG, France, Britain, and Italy), which have almost double the population of Russia, is many times greater than Russia's. So we still have to chase after America, as in Khrushchev's times. We'd really end up losing our shirts here. It would seem altogether that these calculations were born in the times of the cold war and confrontation.

In other words, a serious discussion of such programs is altogether inappropriate. It is something else that is appropriate. To talk about those who have for a long time now been operating according to the logic, excuse the crudity, of "political parasites." You are for a market economy and democracy, and we are for the same. But you, Yeltsin and your team, Chernomyrdin and your government, reform Russia, pull the load, exert yourselves, make mistakes, and get your hands dirty, we will stand on one side in white gloves and criticize you. We are clean, mixed up in absolutely nothing, and

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can strew promises right and left, and the people will love us.

They will not! And the fruits of the grating criticism will be harvested by others.

We need to recall a thing or two about petty politicians and politicking. What distinguishes a politician from a political intriguer? A politician comports himself in serious, important situations by taking the high road. The political intriguer strives everywhere to make political capital for himself, working for the requirements of the day, not give that much thought to the future. The politician sees the long term, the political intriguer, the achievement of the immediate goal. The politician's mind is on the fate of the country and the people, the political intriguer's, on his career. The politician is a man of action, the political intriguer, a man of the well-turned phrase, poses, rhetoric, demagogy, and machinations. The politician is driven by the idea of the accomplishment, in Stanislavskiy's expression, of the "overriding objective," the political intriguer, by the thirst for power.

It is not just I who have noticed that on virtually all major, fundamental problems like the course of the reforms, ways to resolve the Chechen problem, and attitude toward the present president and government, more broadly put, toward the fate of our democracy, Yavlinskiy occupies a purely opportunist position. Decrying the reforms, abusing the authorities, and demanding a change of government and the impeachment of the president, and what would follow then (and is already following in the form of the growth of the influence of the Communists) is all the same to Yavlinskiy.

The explanation of his position here is always cliched. The authorities are to blame for everything. And are to blame primarily for the fact that they have been unable to make everything good. This being the case, the authorities are undemocratic, and the reforms are not reforms. Yavlinskiy, naturally, knows that there is no country in which, after communism, there have not been most acute social problems and in which everyone is happy with the authorities. Just as he knows also that we contrived to create just one strong economy—military—and that it is easier to get guns instead of butter than the other way about.

Generally, the Nobel Prize should go to the person who can determine the principles on which Yavlinskiy's position is based, who, with his views, he actually is, and to what, other than power, he aspires.

Not Every Bonapartism Conceals a Bonaparte

It has now become fashionable to talk about the "chiefism" or "Bonapartism" of this young politician or the other. It is said that Yavlinskiy has megalomania, virtually, and that he is arrogant. Having once on a trip gotten to know some deputy a little better, he might subsequently not even notice him if they met. In a word, the man suffers from Bonapartism. And I reply: If you look a little closer at Yavlinskiy, you will see that he is a whole clutch of complexes! "What cause has he, so successful a politician, for complexes?" I hear in response.

Alas, the most varied people may for most varied reasons and variously exhibit complexes. It is said that even Stalin had a complex on account of the fact that he came not from a premier but from a small nation and for this reason wanted his whole life to be (or to appear) more Russian than the Russians themselves. Whence, virtually, the sources of his anti-Semitism in his final years. Some people even contrived to call him, a Georgian, a "Russian nationalist."

It is the job of psychoanalysts to establish what happened to a person in childhood that makes itself known in a negative way subsequently. The job of the political scientist, however, is somewhat different: to call attention to the sides of a politician, especially one laying claim to the office of president, which could have a most negative effect were he to come to power.

What might be the cause of the complexes? Well, if only the fact that the far-reaching "500 Days" and "Grand Bargain" programs fell through; that Yeltsin picked as the chief reformer not him but Gaydar; that the gamble on Yabloko occupying a leading place in the State Duma has failed twice; that his chances of becoming president of Russia are, on sound reflection, negligible. And so on and so forth. But complexes are also born of a multitude of other factors, intimate included.

What prompts the idea of Yavlinskiy's complexes? Primarily his inflated assessment of himself. The proclivity for self-exaltation and self-publicity even. Overseas, he says bluntly: I am the most popular politician in Russia. And the very fact of his dogged promotion of his presidential candidacy on the "apres moi, le deluge" principle merely demonstrates his aspiration to compensate, so to speak, for the numerous setbacks that have befallen him in recent years in his attempts to realize overly ambitious goals. In this same category are the disparaging assessments of those who are bigger personalities than he is, who see further as politicians, and who feel better the breath of history.

How the 'Principal Apple' Is Dangerous

I am troubled least by the fact that, having become president, a complex-ridden politician could be both brutal and "uni-hemispherical." Under our specific conditions

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he would, most likely, simply be unable to cope with the situation, and it would be a question of the loss of democratic gains. Yavlinskiy will surely not become president either now or ever in the future. Primarily because his figure is too incommensurable to this high office.

First, Yavlinskiy continues to split the ranks of the supporters of the democratic path of Russia's development.

Second, at the first stage he will be just about Yeltsin's main adversary in the course of the presidential elections. Because he needs by some miracle to increase an electorate which affords him no opportunity of getting into the second round. But inasmuch as G. Zyuganov and V. Zhirinovskiy have quite a consolidated electorate, then, figuratively speaking, there is nothing he can do in their field.

"Yeltsin's field" is another matter. He potentially has the biggest electorate, but it is as yet still disunited and poorly organized. The nonideologized electorate of the "president of all the people" cannot by definition be stable to the extent that an ideologized electorate is.

Third, the most dramatic outcome would be if Yavlinskiy's splitting activity were to signify a move into the second round, aside from Zyuganov, of Zhirinovskiy also. Although such a prospect seems to me personally unlikely, we should not, however, lull ourselves but do everything possible to ensure that this alternative cannot happen even theoretically.

Russia: Democrats Unite Behind Yabloko Presidential Candidate

LD0104163096 Moscow ITAR-TASS in English 1305 GMT 1 Apr 96

[FBIS Transcribed Text] MOSCOW, April 1 (Interfax) — Five renown democrats of Russia, namely Yuriy Afanasyev, Yelena Bonner, Sergey Kovalev, Ella Pamfilova and Arkadiy Murashev, have announced the creation of a public committee in support of Yabloko leader Grigoriy Yavlinskiy at the presidential elections.

"Our support to Yavlinskiy aims to show that Russia has a genuine democratic alternative to the current regime," says their appeal to politicians, public figures, correspondents and businessmen, circulated at a news conference in Moscow Monday.

Kovalev, currently in the hospital, had to answer correspondents' questions over the telephone. Yelena Bonner is visiting the United States.

The appeal drafters admitted "we will not have an ideal candidate anyway" but said "no matter whether Yavlinskiy is good or bad, he deserves recognition for his uncompromising policy in the past few years... Yavlinskiy is loyal to fundamental values: human rights, democracy, private property and the market economy."

Speakers at the news conference were extremely skeptical about the Chechen settlement plan made public by President Boris Yeltsin a day before.

The plan "is inconsistent and will hardly be fulfilled... Because the side of Chechen separatist leader Dzhokhar Dudayev is not likely to agree with it," said Chairman of the Liberal-Conservative Policy Center Murashev.

The plan "does not take into account the stand of Dudayev," said rector of the Russian State Humanitarian University Yuriy Afanasyev. He described the plan as "a declarative statement."

While noted democratic leader Pamfilova wished Yeltsin's plan success, she said, "The authorities are unable to curb the mafia, which is interested in the conflict's continuation." She said the mafia "has incorporated with the authorities."

Russia: Chernomyrdin To Head Executive Committee of New Community

LD0204092296 Moscow ITAR-TASS in English 0856 GMT 2 Apr 96

[By Andrey Shtorkh]

[FBIS Transcribed Text] MOSCOW, April 2 (Itar-Tass) — The Russian head of government, Viktor Chernomyrdin today was appointed chairman of the executive committee of the Russo-Belarusian Community, Russian presidential aide Dmitriy Ryurikov said today.

In accordance with the agreement signed by President of Russia Boris Yeltsin and President of Belarus Alyaksandr Lukashenka in the Kremlin today, the executive committee is the organizer of implementation of the new community's integration projects.

Earlier today, President Lukashenka expressed confidence that unlike many other accords that remained on paper, the new agreement would be fully implemented. He said one evidence of this was that the two countries had paid priority attention to the creation of an effective mechanism of implementation when working on the draft of the agreement signed today.

"Few agreements in the history of international relations were the object of such thorough preparation at the level of the heads of state," Lukashenka said.

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Russia: Governor Urges Law on Direct Presidential Rule

MM0204090996 Moscow TRUD in Russian 30 Mar 96 p 3

[Article by Maritime Kray Governor Yevgeniy Nazdratenko under the "Viewpoint" rubric: "What Should Russian Federalism Be Like?"]

[FBIS Translated Text] Russia is traveling the road of improving its state structure. Having ended the exaggerated centralism that formerly fettered the regions' initiative, the country is steering a course of developing federalism in every possible way. The signing of the Federation Treaty, the adoption of the new constitution, and the conclusion of bilateral treaties between the center and the components are all milestones in the formation of Russian federalism, which is by no means completed yet. Some people are suited by what has been achieved, some people assess the situation critically and even with alarm. The head of the executive in Maritime Kray sets out his opinion today.

Russia is experimenting once again. Having had our fill of the charms of "the most progressive form of social structure in the history of mankind," we have now decided to cultivate something of our own. In a less than ideal fashion at present, I think.

Modern Russia continued the line, dating back to the twenties, of a "hierarchy" of peoples and nationalities, whereby they all received differing rights and consequently ended up in an impasse. The unreal "paper" sovereignty of republics of the former Soviet Union devised in 1922 resulted in the swift disintegration of the USSR. I believe that in just the same way the ritual, constitutionally enshrined independence of republics has grown into a real threat to Russia's state integrity.

There are also objective preconditions for this. In Russian there have always been very drastic variations between the socioeconomic situation of different territories. The "economic horizons" of many of them have narrowed still further nowadays, particularly with the increase in transport tariffs. A significant stratification of regions into those that pay into the federal budget and those that receive funds from it is taking place. In 1995 23 regions accounted for 64 percent of the country's industrial production, and in 1994 12 regions provided 60 percent of federal budget income. At the same time the contribution of the 20 Russian republics to Russia's industrial production in 1995 was just 12 percent, and only 5.6 percent if you leave aside Bashkortostan and Tatarstan. On the other hand the republics' share of the expenditure side of the federal budget is much higher. Therefore receipts from the federal exchequer to their own budgets are on average 59 percent, while the corresponding figure for the budgets of krays and oblasts is 26 percent. The latter's share of the Fund for Federal Assistance to the Regions has also been declining in the last few years.

As a result "donor" regions get a raw deal in both the political and financial respects — they are hit both in their pocket and in their pride. So, deciding that statehood is their "ticket" into "high society," the regions have begun to vie with each other to sign special treaties with the center — who does not want to have a better life? These treaties on the demarcation of spheres of responsibility and the mutual delegation of powers were intended to define more precisely the machinery for implementing the state powers of the Federation and its components. But now, in my view, they are being used to change the constitutional and legal status of krays and oblasts. This is essentially a step toward a "treaty-based Federation" and a step away from the Russian Federation Constitution. The 20 republics have "scaled the heights" — now all the indications are that the other 69 Federation components now want to get up to the same level.

The political situation in present-day Russia is such that **without a sufficiently strong system of state regulation I believe the normal development of the economy, politics, and the social sphere is inconceivable.** The country is too diverse from the ethnic, linguistic, religious, and cultural viewpoints. The problems facing us are too complex to be solved "at the hamlet" level, so to speak.

Before economic and financial "hoops" bind Russia, state power and the president himself will play the main role in preserving and developing the Federation. In order to stabilize the situation in the country in a civilized way and avoid the danger of a return to totalitarianism, **a new system of power relations at the "center-regions" and "executive and legislature" levels must be established.** It is time to translate general constitutional norms into the language of specific state decisions. We badly need a **constitutional** mechanism for federal intervention in the affairs of Federation components. This exists in all federations in the world.

In other words, **we need to adopt an act on direct presidential rule** (I have been going on about this since 1993) which develops the constitutional thesis that the president of the Russian Federation has the right to "exercise the powers of federal and state authority throughout the territory of the Russian Federation." There is no need to be afraid of this. What sort of meaning would be invested in this institution? It would mean that **in especially complex social, political, and**

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economic conditions, where there was a threat to the country's integrity, the legitimate president would assume powers to strengthen the state regulation of particularly critical spheres of social life.

Direct presidential rule could be established for the specific period needed to resolve the critical situation. This institution of direct presidential rule should be legally formalized and, in accordance with world practice, subordinated to very specific rules. At present the entire set of mechanisms explaining presidential rule from this standpoint is incomprehensible and is not operating at full power. We still need to give a great deal of thought to this. For instance, today considerable potential is granted to an actual existing structure — the president's representatives at local level — but they are not being fully utilized and they are often not noticeably active. (Although Maritime Kray, I would note, has no reason to complain, it can be said to have been lucky with its presidential representative in the kray — V. Ignatenko.)

It is also impossible to resolve the question of effective federal assistance to territories at present without changing policy in "center-regions" relations.

Federative relations in present-day Russia have outlived their usefulness in their present form, I think: The inequality of Federation components is paving the way for a fresh round of claims by the Russian regions and for the granting of republic status to krays and oblasts. I believe that **large-scale work to remove the contradictions between the Russian Federation Constitution and the republic constitutions is now vitally necessary.** It would be useful to halt the adoption of treaties on the division of spheres of responsibility and powers with Russian krays and oblasts or at least to impose a moratorium on the operation of those points in the treaties already adopted that run counter to or do not conform with the Russian Federation Constitution.

In Russia, where the regions are markedly different from each other and a new system for calculating territories' needs for financial assistance has only begun to be established, effective federal support based on the old unitary principles is impossible.

There is a need not only for a law on financial assistance to the regions that would make the method of calculating transfers more flexible and better attuned to the regions' particular features, but also for a law on a fixed percentage of financial payments from regional budgets into the federal "pocket." This would not only allow territories to develop more successfully, it would aid the cause of rapprochement between regions and the federal authorities.

Mindful of the dangerous nature of the "pursuit of sovereignty," the Maritime Kray executive is in no hurry to sign a bilateral treaty with the Russian Federation. We will not take part in the "fragmentation of Russia," no matter how noble the aims surrounding this. **Until such time as the treaty process between the Federation and Federation components is brought into the constitutional framework, so long as it is aimed at eroding the country's state integrity, Maritime Kray will take no part in it.** Although the socioeconomic situation in the kray is very grave, primarily because of the center's ineffective regional policy, we do not deem it possible to extract benefits for ourselves at the price of Russia's disintegration. Maritime Kray has been, is, and will remain a component part of Russia, not some semi-state linked with Russia by treaty relations.

Russia: Presidential Order Supports Industrial Finance Groups

LD0104205596 Moscow INTERFAX in English 1757 GMT 1 Apr 96

[FBIS Transcribed Text] MOSCOW, April 1 (Interfax) — Russian President Boris Yeltsin's Monday order to stimulate the growth of industrial finance groups is aimed toward stabilization of the economy and helping Russian industrial production growth.

The order earmarks federal funds to support groups starting in 1997. This year, the support will be given only to those groups already taking part in federal programs within the framework of the 1996 budget.

The president's December 5, 1993, order on industrial finance groups is no longer in effect.

Russia: Yeltsin Signs Decree on Transition to Stable Development

LD0104200296 Moscow ITAR-TASS in English 1903 GMT 1 Apr 96

[FBIS Transcribed Text] MOSCOW, April 1 (Itar-Tass) — Russian President Boris Yeltsin has signed a decree "On the Concept of Russia's Transition to the Stable Development", the presidential press service said on Monday [1 April].

The decree entrusts the government to draft the state strategy of stable development of the Russian Federation and submit it to the president in 1996.

The concept provides for ensuring balanced implementation of social and economic tasks, the protection of the environment and the preservation of the country's natural resources in order to satisfy the needs of the present and future generations.

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According to the document, the transition to the stable development is based on gradual restoration of natural ecosystems to the level which can ensure stability of the environment.

Russia: Report on Arbitration Court Prospects

964E0759A Moscow EKSPERT in Russian
19 Feb 96 No 7, pp 18-21

[Article by Natalya Khoroshavina: "Second Year of Great Breakthrough in the Judicial System: Report From Plenum of RF Supreme Arbitration Court"]

[FBIS Translated Text] Last year was an especially productive one not simply in terms of laws, but also in terms of principle laws: As of 1 January, the first part of the Civil Code went into effect, and as of 1 July—Russian arbitration has been living under the new Procedural Code. As of 1 March, the second part of the Civil Code is going into effect. The problems associated with such notable legislative changes are being experienced by all, and primarily the judicial branch. It is specifically for this reason that, along with a report on the course of judicial reform and on the number of cases reviewed in 1995, this year's first plenum of the RF [Russian Federation] Supreme Arbitration Court devoted much attention to the new legislation. Then again, even regular reports are of interest, since they give an understanding of the capacities and problems of our judicial system.

[begin box]

Basic Changes in Arbitration Legal Proceedings:

—Mandatory pre-judicial order of settling disputes has been repealed;

—List of persons who have the right to seek protection from the arbitration court has been expanded: As of 1 July 1995, enterprises with foreign investments and foreign legal entities may appeal for arbitration;

—A new intermediate institution has been introduced—the federal okrug [district] courts. [end box]

[begin box] In 1995, property disputes totalling 80 trillion rubles were submitted to the arbitration courts, and 71 percent of the demands were fulfilled.

State duty on reviewed cases last year comprised R790 billion, and R434 billion has already been paid. [end box]

Judicial System Is Becoming Normal

Here are a few excerpts from the speech of Supreme Arbitration Court Chairman Veniamin Yakovlev, presented at the plenum of the VAS [Supreme Arbitration Court]:

"The effectiveness of judicial power is comprised of three components—efficiency, quality of judicial decisions, and their fulfillment—and reform must operate in all of these directions. However, today we cannot speak of the full-fledged realization of judicial reform, since such important statutes as the laws "On the Judicial System," and "On Fulfillment of Judicial Rulings" have still not been adopted, and the draft law "On Judicial Marshals" has been adopted by the Duma only in its first reading.

We have attained most tangible progress in terms of judicial reform in the law "On the RF Arbitration Courts," and the new Arbitration-Procedural Code, which went into effect last year. The innovations which our judicial system received thanks to these laws should have a favorable effect on the efficiency of review of court cases, as well as on the quality of our decisions. The repeal of the mandatory pre-judicial procedure for settling disputes, the singular resolution of cases in the first instance, the prohibition against forwarding cases for repeat review to a secondary instance—all this must ultimately facilitate arbitration legal proceedings. The guarantees of quality are the introduction of the protocol of the judicial meeting, and the possibility of judicial appeal (appeal and cassation).

Today we may also speak of the real independence of our courts from the local authorities, since in accordance with the law "On Arbitration Courts" these courts have received federal status. Appointments to judgeships are performed by the federal organs of power.

The judicial system has become normal, as it is in the entire world. It has three levels (before there were two), and a new intermediate instance has been introduced—the federal okrug courts. Within half a year, we are to create this new segment of the judicial system. At the present moment we may safely say that 10 okrug federal courts are operating, and of the necessary 341 judges, 143 have already been appointed.

An organizational restructuring is taking place in the courts. Judicial boards are being formulated by subject indicator: On civil-legal disputes and on entrepreneurial disputes. It is often said that we need tax courts. In our opinion, there is no need for tax courts at the present time—we are already reviewing these cases. In 1995, 69 percent of the arbitration cases comprised tax-related disputes. In our opinion, tax boards are needed, and we are formulating them. It is necessary to strengthen their complement.

The functions of the Supreme Arbitration Court of the Russian Federation have also changed. The VAS is no longer a court of the second instance, and its primary task is to ensure uniformity of judicial practice. If we

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look at what the VAS engaged in previously, we may come to the conclusion that not one supreme judicial organ in any country carried such a heavy load: In 1995 there were 396 protests forwarded to the VAS. Of these, 252 were reviewed, a new ruling was issued in 115 of them, and the others were sent off for another review. In the future the VAS must change over to individual case work, reviewing cases in the order of supervision, and not by their essence, as was the case previously.

We must concentrate our attention on formulating judicial practice. For example, at the present time there are very few generalizations on application of the standards of the first part of the Civil Code. This is our debt to the judicial system."

What We Have Not Yet Been Able To Do

Mr. Yakovlev focused also on the primary unresolved problems:

"The Achilles heel of our jurisprudence is the fulfillment of judicial rulings. As yet, we are not able to properly ensure it. Last year we received 2,000 complaints and requests on fulfillment of judicial rulings.

The institution of judicial executors requires legislative formulation. The president believes this to be necessary, as even last year he had sent the government instructions to introduce the appropriate draft laws. The government did not prepare these drafts for the State Duma. It was the courts which prepared them. Speaking in favor of adoption of such a law is the fact that the system of judicial executors must be self-sustaining. It will bring income to the budget.

Responsibility for nonfulfillment of rulings is also stated in the new APK (in the form of fines), as well as in the Civil Code. However, the letter of the Central Bank No. 187 dated 1 September 1995 in essence repealed the obligation of fulfilling decisions by the administration of the Central Bank and the commercial banks. The order of collecting funds under writs of execution, which is defined in this letter, leaves fulfillment of the judicial ruling to the conscience of the payer-organization, which may simply throw the writ of execution into the trash can. We have posed this question to the Central Bank, but as yet have received no reply.

We should note certain inconsistencies in the state duty. The fact is that the right of the court to grant extensions on the payment of duties has been re-established. However, in the realization of such capacity it is necessary to be guided by the following criteria: Who applies for protection, what is the financial position of the petitioner, and what is the character of his demands? The granting of benefits is justified when subjects of small business apply for arbitration, but such granting is unjustified for structures with a strong financial position, especially since they often present inflated demands.

It is alarming that a huge number of petitions were not accepted for review. Sometimes with justification: The state duty was not paid, or the claim was not filed by a legal entity. However, the courts' refusal to review petitions is not always justified, and this is the number one problem. Unjustified refusal is, in essence, a refusal of jurisprudence, that is a violation of the Constitution. There have already been efforts not to forward cases to the higher instance (for appeal or cassation review), which often borders on the criminal. We intend to terminate the powers and authorities of judges who violate the Constitution.

It is very difficult to review disputes in the sphere of privatization. In essence, we are encountering two types of problems. Some claims are associated with the effort to redivide property: On the basis of violation of some procedure, a claim is filed for the purpose of taking away the property and reprivatizing it. It is always necessary to look at why such claims are filed, and whose name appears on them. Our practice is based on the fact that it is certainly not any procedural violation which leads to the repeal of the ruling on privatization.

Another problem is the violation of obligations which the investor has assumed. As yet, we are seeing few claims on dissolution of deals due to violation of conditions, as for example of the investment competition.

How Will We Perform Legal Proceedings Under the New Civil Code?

The implementation of every law, even one with the slightest significance, in Russia is accompanied by the rhetorical question: Is our judicial system ready for such innovations? This question resounds also in regard to the second part of the RF Civil Code, which is to go into effect as of 1 March.

Of course, it takes time for the Russian judicial system to master all the new legislative statutes. And in this time, God willing, it will acquire practical experience in legislative application. We will note that the presence of two or three cases does not set the tone, if only because Russia is not a country of law based on precedent. It is specifically for this reason that, at the seminar on the second part of the Civil Code held for arbitration judges, all the speakers were united in their desire to pre-guess the behavior of the judicial system in the new reality. Perhaps these opinions will

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not coincide on all points with the official position of the Supreme Arbitration Court on various questions. However, official explanations of the VAS will appear much later, but we will have to live and perform legal proceedings under the new Civil Code already starting on 1 March."

Basic indicators of work of Russian Federation arbitration courts in 1994-1995

Year	Total number of arbitration cases reviewed	Disputes arising from administrative legal relations (%)	Disputes arising from civil legal relations (%)
1994	208,081	8.5	91.5
1995	237,291	10	90

Deputy Chairman of the Supreme Arbitration Court Vasiliy Vityapskiy, in his speech, stated specifically:

Most of the standards of the Civil Code regulating contractual relations bear a dispositive character, that is, they are mandatory only in those cases when the participants in the contractual relations have not specified a different manner, procedure, or methods of action. I would like to focus your attention on the fact that, for a number of individual types of agreements, the application is comprehensive: The general principles plus the special rules.

The only significant condition is the object of the agreement. The rest remains to be determined, that is, these conditions may be deduced from the general rules for regulating agreements. Only in the absence of a condition on the object of an agreement is a deal considered not to be concluded.

Important conditions of an agreement are the moment of fulfillment of obligations and conditions of delivery. If the appropriate conditions are absent from the agreement, the moment of fulfillment of the agreement is considered to be the issuance of the goods to the agency of transport or communications (that was the practice before).

Articles 467-468 compensate for the gaps in the former legislation in terms of defining the assortment of goods. Here the standards of international conventions on deliveries have found their reflection. If the agreement of purchase-sale does not specify the assortment, the seller must hand the goods over in the assortment necessary for the purposes of the buyer (if they are known to the seller).

Quality of goods is generally an imperative rule. The entrepreneur is obligated to ensure correspondence to GOST [All-Union State Standard] (where such adherence is necessary). Entrepreneurs have finally received a guarantee of quality adequate to those that were previously secured in the law "On Protection of Consumer Rights."

Two types of guarantee of quality are specified: Legal guarantee—the goods must be suitable for those purposes for which goods of this type are generally used; and contractual guarantee—the seller himself specifies the warranty period. Moreover, the contractual guarantee may be shorter than the legal one. The legal guarantee applies to all goods.

The type of guarantee plays an important role in discovering defects in the goods. Under the legal guarantee, the burden of proof of shortcomings prior to transfer of the goods lies with the consumer. Under the contractual guarantee, on the contrary, the burden of proof of absence of defects prior to transfer of the goods to the consumer lies with the seller.

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Delivery of poor-quality goods entails a standard set of consequences: The consumer has the right to demand (at his discretion) commensurate reduction in the price, uncompensated correction of the defects in the goods, or compensation of his expenditures for correction of such defects. Moreover, the consumer may demand replacement of the goods only if significant violations in quality have been allowed, or if the defects in the goods cannot be corrected.

The articles regulating complement assortment of goods largely echo the Statute on Deliveries of 1989. The consequences of violating the requirements of complement assortment are commensurate reduction in the price or replenishment of complement assortment within a reasonable time. Moreover, the demand for replacement may be presented only after prior demand.

In accordance with Article 483, the consumer is obligated to inform the seller of defects that have been discovered within reasonable time. If this does not occur, the seller, under certain conditions, may refuse the consumer's demands (for example, when satisfaction of this demand would entail incommensurate expenditures). Defects in the goods must be discovered either within the warranty period, or within a reasonable time—but no more than two years, depending on the type of guarantee.

Agreements for deliveries for state needs are regulated separately. We should note that the law "On Deliveries for State Needs," adopted by the old Duma, is far from complete and will not operate normally without the Civil Code, since this law says nothing about the order of concluding the state contract. The basis for the state contract is the state order from an authorized agency. For the state contractor who has placed an order accepted by the supplier, the state contract agreement is mandatory. If the state contractor for some reason evades conclusion of the contract, the supplier has the right to demand compulsion of conclusion of the contract in court.

Energy provision is interpreted by the new Code as a type of agreement of purchase and sale. Energy is a commodity, and the consumer is the subscriber. No special law has yet been adopted on the rules of energy provision, and practically all claims regarding unjustified disconnection of electrical power fall under the effect of the appropriate articles of the Code. In accordance with the Civil Code, only two types of disconnection of power without the consent of the parties are permitted: Cases when the condition of the subscriber's lines threaten an accident (with notification of the subscriber), or when a real danger threatens the power system as a whole (without notification). Until the appearance of the appropriate laws, the standards regulating energy provision apply also to the supply of energy through pipelines.

For agreements on sale of immovable property, the written form is mandatory—a single standard document which is signed by the two parties (thus, such a contract may not be concluded via fax). Failure to adhere to this form entails invalidity of the deal in all cases.

In developing the Code, up until the last moment we did not exclude from these articles the demand on mandatory notary certification of deals with immovable property. The pressure of the "notarial" lobby could be felt. However, the State Duma did not support the notaries, and in the future, normal state registration is specified for all deals concluded with immovable property.

As for land questions, if Chapter 17 of the first part of the Civil Code had been in effect today, all these questions would have been removed. However, today this chapter is not in effect (pending implementation of the RF Land Code), and we are forced to separately stipulate questions of the transfer of rights to land plots in concluding deals with immovable property.

If the seller of immovable property is the owner of the land, he must hand over the land under the object of immovable property, and if the question of transfer of the land under the object of immovable property is not stipulated in the agreement—the land passes to the buyer automatically. If the seller of immovable property leases the land plot, then the buyer receives exactly the same rights of use of the land plot. Execution of a deal on immovable property is comprised of the transfer of the immovable property under the act of transfer. I believe that in the absence of an act of transfer the material right to immovable property cannot arise.

We have already heard much unfavorable criticism in regard to the fact that the Civil Code provides for the effect of transport charters and codes. For the first time, the Code introduces the general standard of liability of shipper for all types of transportation. Moreover (and this is very important), the legislation does not allow exclusion of liability. After all, how was it before? The shipper bears no liability if the seal on the boxcar is intact. Or for the fact that, despite an intact seal, the cargo could have been broken at the fault of the shipper (train went down a hill), and there was practically no one to blame. Now the code does not absolve the shipper from liability. And the burden of proof of the fact that the cargo was damaged not at the fault of the shipper lies with the shipper himself. The term of the general statute of limitations has been significantly increased. A year is the normal term of the statute of limitations.

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And as compared with the former two months, which were granted for complaints against shippers, this is an achievement."

Noncash Accounting

VAS Judge Lyudmila Novoselova spoke at the seminar about this important topic:

"The overwhelming number of statutes regulating the sphere of noncash accounting (and these are primarily Central Bank documents), contradict the civil legislation. Unfortunately, the volume of appropriate articles of the Code does not allow us to regulate this sphere in detail. However, the very appearance of these articles should significantly increase the level of legal regulation of noncash accounting, and this is a notable step forward.

We should note that the banking system is distinguished by the presence of stereotypes which have been formulated. Thus, for example, banks continue to be guided by rules of noncash accounting used by the USSR Gosbank [State Bank], although they have long been discontinued.

As for accounting by citizens, the Code does not specify any limitations (noncash or cash form of accounting), and there should not be any changes in this question in the other legislation. In regard to legal entities and entrepreneurs, however, primarily the noncash form of accounting is established. Cash accounting is possible, but a prohibition on it may be established by law.

The determination of the forms of accounting falls under the jurisdiction of the Central Bank. Altogether, four forms of accounting are presented in the Code, and the parties may choose any one.

Payment authorization. The definition of this form in the Civil Code is somewhat broader than that which is contained in the banking regulations.

The responsibility of the bank is specifically defined. It is fulfilled only when the funds have gone into the account specified by the client. The condition of the term within which the bank must fulfill the client's authorization bears a specific character—no later than one day following the receipt of the payment authorization. The party may specify a shorter term, but not a longer one.

The bank bears liability to its clients for improper fulfillment of its obligations. Even if the violation occurred at the fault of third parties, the bank itself bears the liability—and only then can it apply the mechanism of regress. In fulfilling the operation, we are dealing with at least three banks (the executor bank, the accounting-cash center of the Central Bank, and the bank to which the client has authorized transfer of the funds). Therefore, in practice we have been holding banks responsible as codefendants, and the losses have been distributed between them depending on each one's degree of violation.

The bank is obligated to inform the client of the course of fulfillment of the authorization: Where and by whom the client's money is being held. This should also notably facilitate judicial proceedings, because often the claimants have no information on the stage at which their funds have been frozen.

Letters of credit. Their definition is taken from the unified international rules and adapted for servicing promissory note circulation. A letter of credit is a means of payment under an agreement, although the basis (contractual relations in a deal according to which payment is performed) does not influence the relations under the letter of credit. The bank's obligations are separate from the primary agreement. For the bank, the obligation arises on the basis of the client's request. Several banks participate in relations under the letter of credit. The emission bank bears liability for the entire operation and for the actions of the executor banks. The executor bank bears liability to the emission bank, although the character of the banks' liability depends largely on the type of letters of credit.

The question of the relation of liability of banks under the letter of credit and the liability of the recipient of the funds may arise. If the goods have not been shipped, but the bank has already made payment for the client—who answers? What is primary: Violation of the basic agreement, or violation of the agreement under the letter of credit? This problem is solved differently in different cases, depending on who allowed what violation.

Collections—authorization of a bank to receive funds from a client. The emission bank bears liability to the party seeking collection. The situations may vary. For example, the bank that services the payer has generally not submitted this demand. In this case, the possibility of filing claim directly against this bank is specified in the Code. Previously, such claims were often refused, since the courts were tied to the structure of contractual relations, and the party seeking collection, as a rule, did not have contractual relations with the payer's bank.

Checks. Practically all standards are taken from the previously effective Statute on Checks. We must note the specific nature of the claim based on an unpaid check. Issuance of a check does not in itself repay monetary obligations. The fact of nonpayment of a check must be verified. All persons liable for the check bear joint responsibility for its payment (issuer of check, guarantors, endorsers).

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Structure of disputes reviewed in arbitration courts

Category of cases	Reviewed in 1994	Reviewed in 1995	Increase (reduction)
Disputes arising from civil legal relations	190,471	213,662	+23,191 (12.2%)
Of those:			
pre-contractual	7,236	5,345	-1,891 (26.1%)
on accounting	96,674	122,204	+25,530 (26.4%)
on compensation of losses	17,319	13,352	-3,967 (22.9%)
on shipping	17,228	11,984	-5,244 (30.4%)
on agreement of purchase-sale	8,246	9,160	+914 (11.1%)
on loan agreement	336	947	+611 (181.8%)
on lease agreement	2,732	4,433	+1,701 (62.3%)
on insurance agreement	1,254	1,136	-118 (9.4%)
disputes arising from agreements on security deposit	134	211	+77 (57.4%)
disputes arising from credit agreements, and likewise agreements for accounting-cash servicing	6,932	17,626	+10,694 (154.3%)
disputes associated with violation of environmental protection legislation	3,168	2,593	-575 (18.2%)
disputes on recognizing right of ownership	513	590	+77 (15.0%)
disputes on owner's demand of property from unlawful possession of another	1,800	1,620	-180 (10.0%)
disputes on insolvency (bankruptcy) of enterprises	231	716	+485 (209.9%)
disputes on agreements ruled to be invalid	2,183	2,454	+271 (12.4%)
Disputes arising from administrative legal relations	17,610	23,629	+6,019 (34.2%)
Of those:			
on ruling statutes to be invalid	7,597	6,508	-1,089 (14.3%)
on appealing decisions on refusal to grant land plot, or confiscation thereof	256	103	-153 (59.7%)
on appealing refusal of state registration	163	178	+15 (9.2%)
on appealing decisions of state and other agencies on confiscation of monetary funds and other property	2,452	2,441	-11 (0.4%)

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Category of cases	Reviewed in 1994	Reviewed in 1995	Increase (reduction)
on collection of fines and other monetary means from organizations and citizen-entrepreneurs by state and other agencies	5,299	11,167	+6,398 (120.7%)
on refund from budget of funds written off in the form of economic sanctions	471	843	+372 (78.9%)

Military Issues

Russia: Yeltsin Appoints Head of Department of Cossack Army

LD0204121796 Moscow ITAR-TASS in English 1103 GMT 2 Apr

[FBIS Transcribed Text] MOSCOW, April 2 (Itar-Tass) — Russian President Boris Yeltsin signed a decree on Monday appointing Anatoliy Semyonov head of the main department of the Cossack Army under the Russian president, presidential press service told Tass on Tuesday.

The Cossack department was set up by a presidential decree of January 20, 1996 to improve interaction between the federal executive bodies, executive bodies of the Russia's regions, local self-government bodies, organisations, public associations and Cossack societies in fulfilling legislative acts on the Russian Cossacks.

Russia: Commander of Interior Troops in Chechnya Promoted

LD0104141696 Moscow INTERFAX in English 1305 GMT 1 Apr 96

[FBIS Transcribed Text] MOSCOW, April 1 (Interfax) — Russian Interior Deputy Minister Anatoliy Shkirko, commander of the Russian Interior Ministry troops, has been promoted to the rank of colonel general, a ministry spokesman has reported with reference to the appropriate decree, signed by President Yeltsin.

Shkirko has been in charge of federal troops in Chechnya since last October.

Russia: 'Clamor' Over Troop Movements Due to Stepped-Up Training

MM0204103696 Moscow ROSSIYSKAYA GAZETA in Russian 2 Apr 96 p 1

[Article by Sergey Ptichkin under the "They Say..." rubric: "Making a Mountain out of a Molehill. Such Is the Effect of the Opposition's Propaganda Salvo"]

[FBIS Translated Text] The propaganda clamor accompanied by scary statements by certain political parties regarding the clear activation of certain troop units stationed near Moscow did indeed have some foundation, but by no means that which was emphasized.

The "scandal" focused on two divisions — the Taman and Kantemirov Divisions — which is entirely explicable, since after fall 1993 the "palace guard" will quite objectively attract heightened interest for a long time yet and any movements inside these formations will inevitably meet with comment in the mass media.

It is no secret today that even elite divisions are experiencing an acute personnel shortage. For instance, some of the subunits of the Kantemirov tank division were only...40 percent manned. Naturally, in such a situation there cannot be any question of proper combat training.

The guards garrisons remained in hibernation, as it were, engaging in elementary self-preservation and self-protection. However, army life may have come to a standstill, but it did not die. Gradually officer manning levels were brought up to strength with people from the so-called "two-year intake" and soldier cadets were sent to the units from the training subunit in Kovrov so they could complete their studies on the spot, sit the requisite examinations, and become qualified professional specialists.

There is yet another purely army subtlety — the final spring inspection coming up in the second half of April, which must be passed at all costs.

So in mid-March, quite unexpectedly if you were an outside onlooker unaware of the difficulties experienced by the Army, there was a surge of combat activeness in training classes and at the guards divisions' test ranges and tank proving grounds and preparations began for the inspection, as inevitable as spring. Indeed, even the local population, to say nothing of visitors from the capital, might have thought that something was up.... Unfortunately even in the Kantemirov Division's garrison, where the firing range is immediately beyond the housing compound, people are simply no longer used to what was until recently the natural rumble of gunfire, which rattled the window glass in homes.

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The interesting thing is that the unhealthy excitement in political lobbies in the capital in no way affected the Kantemirov and Taman servicemen. Amid the maelstrom of combat training they did not even notice that they were the focus of public attention for a while. We should not be scared but rejoice at the real fact of the restoration of our guards' combat potential.

Regional Affairs

Russia: Baturin Works on KOR, Baltic Fleet Problems

WS0104134696 Kaliningrad STRAZH BALTIKI in Russian 12 Mar 96 p 1

[Report attributed to the Baltic Fleet press center: "Financial Problems Exist Here, There, and Everywhere"]

[FBIS Translated Text] During his two-day visit to Kaliningrad Oblast, Yuriy Baturin, the Russian president's aide for national security, devoted most of his time to the problems of both Kaliningrad Special Region [KOR] and the Baltic Fleet, whose military structure now is a new and unique one for the Russian Armed Forces.

In the Baltic Fleet Staff, Yuriy Baturin closely acquainted himself with the situation in the KOR and with the difficulties that emerged during the establishment of a new operational large strategic formation. The KOR and the Baltic Fleet command provided the Russian president's national security aide with a list specifying the four complexes of issues critical for the life of military collectives.

The first complex comprises social and everyday issues.

Their urgency is proved by the following facts:

— 9,611 families of servicemen of KOR units have no housing;

— 2,592 families of servicemen who were withdrawn from the Baltic states are renting their apartments or are living on ships and in barracks;

— 1,400 apartments constructed by the Baltic Fleet have not been included on regional administrations' balance sheets and are not maintained by them. As of 2 January 1996, the amount of compensation for their maintenance stood at 10.005 billion rubles [R];

— only 62 percent of the Baltic Fleet needs were financially backed in 1995;

— as of early March, 78 percent of servicemen and 75 percent of workers and employees did not have their December 1995 pay; other Baltic Fleet needs, including most critical ones (foodstuffs, electric energy supply), were not met at all;

— families of 83 percent of officers and of 100 percent of warrant officers are living at the poverty level (their income is below the minimum subsistence level by R120,000-390,000); families of contract navy men are living at extreme poverty (their income is twice as low as the minimum subsistence level).

It is obvious that is necessary to urgently resolve this complex of issues.

The second complex of issues addresses problems linked to the repair of Baltic Fleet ships and ancillary vessels.

Insufficient and sporadic credits has also sharply affected this important aspect of Navy life. As of today, the total debt for repair of ships stands at R35.9 billion.

Current problems with the Baltic Fleet ships that are being repaired in Latvia trigger the greatest concern of the Baltic Fleet Command. The debt for the performed repairs has reached R15 billion.

As of today, there are cases where Russian ships and planes are seized for debts and sold; hence, the Baltic Fleet Command has grounds to believe that if bills for the repair of a small missile ship, a tanker, and a floating workshop are not paid on a timely basis, the Latvian side would also resort to similar measures.

The third complex of issues has emerged as a result of the situation around the law: "On the Special Economic Zone in Kaliningrad Oblast."

The ambiguity of some formulations leading to different interpretations of this law has made it possible for the Russian Federation Main Customs Committee to entirely exclude the VAT and the excise tax from the privileges of the Defense Ministry enterprises and of military units. This places them in a very disadvantageous situation and practically ruins the Baltic Fleet building sector. This also affects the supply of military units with all types of foodstuffs and material and technical equipment, because links with deliverers are thus ruptured. This being the case, this situation could lead to the radical reduction in the combat readiness of KOR troops and forces.

The fourth complex of issues addressed the liquidation of ammunition, as well as sales and scrapping of obsolete ships and vessels, of military hardware, and property of the Baltic Fleet.

After the Russian troops and the Baltic Sea Fleet forces were withdrawn from the Baltic states and East Europe, the amount of ammunition in the KOR considerably

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exceeded its needs. It is sufficient to provide the following fact: Due to the disbanding of an air force division of the Baltic Sea Fleet, there emerged a need to withdraw 410 railroad cars with various types of ammunition from Kaliningrad Oblast or to liquidate them. The transportation of a considerable amount of explosives across the territory of neighboring foreign countries has proven very problematic. As regards their liquidation in warehouses, a proven and safe procedure should be used. Both the first and the second options require sizable targeted state credits.

Problems of scrapping and of processing of scrapped ships and vessels withdrawn from the Baltic Sea Fleet fighting strength continue to be critical and urgent. The absence of large enterprises for processing metal scrap in Kaliningrad Oblast affects negatively the timeframe that was scheduled for scrapping. In order to keep these vessels afloat, a large number of servicemen and considerable resources are used. In addition, a need to coordinate every operation with the center is also an obstacle to the speeding up of sales and to the processing of written off ships and vessels.

Non-budgetary means obtained through the selling of written-off ships, equipment, and property are being channeled to the construction of housing for servicemen. Therefore, a faster development of the mechanism for the selling of ships, equipment, and property is one of the most important problems.

Yu. Baturin viewed the problems of the KOR and of the Baltic Fleet with understanding and promised to deeply look into them, to study the essence of the mentioned issues, and to make everything possible — in whatever appropriate way he can — to take effective measures.

When this newspaper item was being written, a report was received that to settle debts to Latvian ship-repair factories, R5 billion were received from Moscow.

In the opinion of Rear Admiral Nikolay Kachanovich, deputy Baltic Fleet commander for maintenance and repair, this money transfer is the result of the joint work of the Baltic Fleet command and the Baltic Fleet Military Council. The trip by Yu. Baturin, the Russian president's aide for national security, also played a positive role it this event.

Russia: Kaliningrad Governor Matochkin Interviewed

WS0204112596 Kaliningrad KALININGRADSKAYA PRAVDA in Russian 13 Mar 96 p 2

[Interview with Kaliningrad Oblast Administration head Yuriy Semenovich Matochkin by V. Nisnevich; place and date not given: "Less Politicalization, More Constructive Work"]

[FBIS Translated Text] [Nisnevich] Yuriy Semenovich, your personal determination to schedule elections for governor and president simultaneously has obviously not delighted Boris Nikolayevich Yeltsin. On the contrary, several telegrams containing "useful advice" to split elections came from his administration. Although one knows that the president gets angry with his disobedient regional representatives, it is not ruled out that he himself would like "to choose" a Kaliningrad Oblast Administration head before presidential elections....

[Matochkin] My determination to conduct both elections simultaneously can be explained by two reasons: to cut costs and to make the governor feel more confident and enable him to work for the future.

We have already calculated our expenditures: Our local elections [elections for Kaliningrad Oblast governor] will cost 1.6 billion rubles [R]. The same amount of money will be required to hold presidential elections in our oblast. If these elections are combined, our costs will be cut considerably. Money must be channeled to social programs.

As for the second reason, it is necessary to have a look at a sociopolitical situation which demands that one's position be specified as soon as possible. In fact, we are now at a turning point when the situation of the executive power cannot remain ambiguous. It is better to hold simultaneous elections in order to build the hierarchy of power from the top to the bottom immediately after the presidential elections.

....But one must realize that we can resist the president until a certain moment and to a certain degree. We still continue to cooperate with his administration and to try to convince them in the correctness of our position. If the presidential administration maintains its former position, there will be two options for us in April: either to wait for sanctions or to agree to shift the timeframe for elections.

[Nisnevich] "To wait for sanctions?..." Does this imply that you personally will risk your neck?

[Matochkin] As regards myself, regional interests are my primary personal interests. Therefore, if I feel that relevant sanctions are imminent, I will immediately propose changing the schedule for elections. At the moment, nothing indicates that our regional interests could suffer. Our cooperation with the presidential administration and with the government is going on an ordinary, routine basis. For example, our delegation has just returned from the Russian Finance Ministry where our representatives coordinated the transfer of

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March payments to our oblast. Our situation turned out to be neither better nor worse than that of the other subjects of the Russian Federation, therefore our payments will be transferred to us according to schedule. There is no reason to think that there are orders to "exert pressure" on us. It might be possible to explain this in the following way: If there is some pressure, it does not refer to the region, but to its head... and some local politicians are taking part in it.

[Nisnevich] Anyway, there is an opinion that a decision regarding the timeframe for elections has affected our regional interests, that due to precisely this decision the president was forced to introduce changes in our law.

[Matochkin] This opinion proves that there is a lack of information about how things developed behind the Kremlin walls. Very few people know about the intensive work "behind the curtains." For tactical reasons, not all issues could be discussed at the time. For example, I refer to our meetings with Sergey Filatov, the then Russian Presidential Administration head, and with Legal Directorate head Ruslan Orekhov who, at the first stage, absolutely opposed the president's signing of our law. The Russian Federation Council's approval was required. As is known, at its meeting the Russian Federation Council supported our law by the majority of votes. After this, the fate of our law could be resolved, if an agreement on the division of power and on additional changes to the law is signed. The signing of this agreement was predetermined by the entire course of the preparation of our law for signing by the president. We had to choose the lesser of two evils: We could either not obtain the president's approval and be forced to return to our starting point in order to follow the same path again and to lose at least an additional year or to make a compromise: Let there be both an agreement and a law to which changes will have to be introduced. You remember how we explained to KALININGRADSKAYA PRAVDA readers that we intend to sign an agreement on the division of power and on additional changes to the law, if the law itself is signed, because another side said that there would be amendments to the law. [sentence as published] Hence, a link between the emergence of the president's amendments and some kind of revenge is either a misunderstanding or a deliberate distortion of the facts.

[Nisnevich] Hence, Sergey Shakhray in an interview to the GTRK [State Television and Radio Company] "Yantar," was not sly when he said that local chiefs knew about amendments, because it was a condition for signing this law. Have all the authorities been informed about this?

[Matochkin] Who wanted to be informed, was....

[Nisnevich] By the way, Kaliningrad Oblast Duma deputies complain of the lack of information from the oblast administration quite often.

[Matochkin] I have already said several times that we are ready to provide information—at each Kaliningrad Oblast Duma meeting—on the socioeconomic situation in the oblast and on problems that are being resolved by us. During a two-year period, they invited me to provide this kind of information only once. In my opinion, my report provided a very broad range of information; it was weighty and removed many questions. Therefore, I have the impression that certain Duma deputies do not want to listen to proper and reliable information, because there would be nothing for them to discuss later.

Recently, we sent a letter to the Kaliningrad Oblast Duma in which we wrote that we regard as abnormal the situation where its leaders are issuing political statements instead of resolving specific issues in a routine fashion. Earlier, we reached an agreement on a procedure for our cooperation: We agreed to meet regularly—monthly and quarterly. In our letter to the Kaliningrad Oblast Duma we wrote: Let us prepare questions for one another and let us clarify our mutual claims. The situation is clear: If one wants to work, it is possible to cooperate in commissions, to conduct joint meetings, and to clarify our relations. But if one wants to deal with politics, he must issue statements and appeals, send motions, and so on.

I do not want to say that we do not work jointly with the Kaliningrad Oblast Duma. The work is going on with variable success. There are attempts to look for new approaches.... But lately, the Kaliningrad Duma leadership has begun to demonstrate its sharp politicalization, they showed less desire to work constructively; they were more inclined to find mistakes in the performance of the oblast administration and to make them public.

As regards us, we are sticking to our position of constructive work and therefore we are proposing to the Kaliningrad Oblast Duma to meet once again and to regulate our business relations.

...What is the policy of certain deputies? To supervise all issues and to manage everything! Some deputies are pursuing this policy due to their nostalgia for soviet-executive-committee methods. Others do so, because they do not understand current laws.

We do not oppose any supervision. The auditing control and the inspection of the oblast administration budget have also been carried out within the framework of the current legislation. Why do our opinions differ? As soon as we see that we "are being defeated" from the legal viewpoint, we make concessions. I have signed many

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agreements that I do not fully accept, but [I have signed them], because the law was not on my side. But when there are attempts to impose on us a tenet regarding a control-accounting chamber whose functions exceed the Kaliningrad Oblast Duma's functions — specified by the "Law on the Budget Regulation" — it is natural that we oppose it.... The matter is not in the title — it could be an "accounting chamber" — but in the exactness and in the legal nature of the chamber's functions.

I will repeat that we do not oppose any supervision. Is it necessary to address the openness of our budget or our quarterly and annual reports at Duma meetings? But what is taking place when they are interfering with our affairs on a daily basis? I imply a recent decision signed by Yuriy Semenov, Kaliningrad Oblast Duma deputy chairman: To allocate 40 billion rubles from the Kaliningrad Oblast budget to Kaliningrad. How could this decision be explained? By incompetence or by provocative intentions? Not so long ago, our Duma approved the plan for oblast budget outlays for the first quarter of 1996 in which everything was calculated thoroughly and which simply did not envision any R40 billion for the city. If the Duma decides to support the city, one must estimate at whose expense it would be done and where the money could be taken from. We are concerned about the fate of the city no less than the Duma deputies. Before the holiday [8 March, Women's Day], R2 billion were "found" to help settle wage arrears. When we receive the money transfer, we will allocate more. But R40 billion today could only exist on paper.

[Nisnevich] At duma meetings, it occurs that quite important issues "evaporate" from the agenda due to the oblast administrations's mistakes. How do you react to this?

[Matochkin] I also do not deny our accountability for some defects in our performance. Among them, there are formal ones... such as delayed answers [to motions]. There is a resolution lying in front of me: Fourteen oblast administration employees — including those who delayed the drafting of documents to the oblast Duma — will not receive their annual bonuses. Some more names will also be included on this list.

[Matochkin] Many claims regarding the drafting of documents for duma meetings are fair. At the same time, the Kaliningrad Oblast Duma itself violates its regulations often and offers us questions and agendas with a delay; it also does not coordinate with us in the drafting of joint issues. Hence, there are defects in its performance as well. The Kaliningrad Oblast Duma is inviting enterprise managers during their work time — based on the old "on-the-carpet" habit — without coordinating the issue with the administration.... This should be stopped. If two branches of power are equal, why should the list of outlays, bonuses, and salaries, as well as the oblast duma budget, not be open? All our resolutions, including resolutions on our internal issues, are being sent to the oblast Duma. Regrettably, we do not receive anything from them: They conceal everything from us. According to our estimates, their pay is higher than ours. They also do not deprive their employees of bonuses.

Would it be better to cooperate openly, to not interfere with internal issues, but to discuss all issues in a businesslike manner? If we do not do this, the people will simply laugh at us.

[Nisnevich] But you have your "pine wood" agreements. A little more than a year has passed after representatives of our administration and of the Kaliningrad Oblast Duma held their three-day meeting in the Polesskiy Rayon pine woods and assured one another of "nonaggression...."

[Matochkin] We were not the first to attack. The oblast duma chairman's recent press statements and the appearance of his deputy on television obviously imply a confrontation, not to mention the lack of arguments on their part. But we are not going to argue about individual, specific problems. Our joint disagreements regarding fundamental issues could be submitted to the court of the people.

In principle, we are observing the "pine wood" agreements, although our duma leadership's recent statements are a clear attempt to politicize our mutual relations on the eve of the elections.

[Nisnevich] By the way, will you run in the elections for governor?

[Matochkin] Yes.... It is necessary to win them to continue reform.

[Nisnevich] This implies that one must deal willy nilly with politics and to attack opponents.

[Matochkin] Our politics is the economy. Of course, one cannot avoid economic issues. But this should not be done by means of such declarative "turnabouts" when the people who accused us of Germanization and named me the initiator of this process are now inquiring publicly about the costs of Kaliningrad Oblast in Moscow, although they are well aware that this program was financed from the federal budget. By the way, our folk life exhibition is now in Dortmund. If they in Germany see what the Russians can do, this would influence, one way or another, their investment decisions. Of course, we support the idea of attracting

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primarily Russian investments. Last year, the amount of foreign investments in rubles was increased twofold and the amount of investments in dollars was increased 1.4-fold. Hence, investments — although minimal — are being made. Joint enterprises are currently providing jobs for some 10,000 people. If one considers that there are 27,000 unemployed in our oblast, these additional jobs are already a success.

At a recent meeting of our economic council, a program for the stabilization of the Kaliningrad Oblast industry was discussed. In January, there was the first increase in industrial production.... Now it is necessary to push this process forward.

[Nisnevich] It goes without saying that concern about local industry and about our national producers is a sacred thing. But since new opportunities emerged due to the Law on Special Economic Zone, the administration head forgets — in his protectionist policy — about consumers when he withdraws individual enterprises, unable to survive in conditions of the market economy, from the competition by introducing restrictions on imports. By the way, consumers are your primary voters.... If you are really planning to run in elections for governor, you must think about them.

[Matochkin] My primary objective is not to count my voters but to estimate benefits for the oblast. One must proceed from this. A resolution which triggers questions about protectionism has not come into force; it is only a tentative decision which must be coordinated with the center.

What are we planning to do? To increase customs duties on some goods produced in our oblast, to leave a portion of collected customs duties in the oblast, and to set up a fund to support producers. Hence, by supporting producers, we will also support consumers. We will not close down the market completely.... We are now looking for an optimum option. An envisaged program is not the best solution. It could be regarded as a starting point for the work with the government. In addition, we are developing a procedure for issuing compensation for producers. This implies that consumers will also receive compensation.

Precisely this kind of economic politics is our domain now. It is also always necessary to look for an opportunity to make compromises in this policy; given our situation, a compromise implies the balance of consumer and producer interests.

If one proceeds from pure consumer interests, it is necessary to open all borders. But then we would be knocked down. In 1995, for the first time in our history, our imports exceeded exports. The share of imports within the overall turnover accounts for 53 percent. This being the case, it is necessary to look closely at the structure of imports. Our program for the modernization of our milk industry will make it possible — within the framework of a sane competition — to compete with Lithuanian products. This is only one example. But one should not forget that we, anyway, are launching the second stage of economic reform which makes it possible to develop our production and competition, to produce cheaper goods, and to increase the living standards of the people.

[Nisnevich] I do not think that the oblast Duma is indifferent to these problems.

[Matochkin] I believe that there are no objective reasons for major disagreements between us. Perhaps there are disagreements between certain individuals and disagreements regarding the elections.... In general, however, this is an ordinary situation. There is no time for slogans now, but I would dare to propose the following one: Less politicalization, more constructive work. If duma leaders want to resolve issues jointly, we are ready for this. We want to resolve issues through cooperation.

Economic Issues

Russia: Arms, Military Exports Earned $3 Billion in 1995

MM0104135396 Moscow KOMSOMOLSKAYA PRAVDA in Russian 30 Mar 96 p 1

[Unattributed report: "Aircraft Going Abroad"]

[FBIS Translated Text] In 1995 Russia received $3 billion in "cash" from exports of arms and military hardware. Last year contracts worth $6 billion were signed, payments on which will be made over the next few years.

According to "Rosvooruzheniye," Russia exports military hardware to 51 countries in Europe, Asia, Africa, and America. The keenest customers for Russian military hardware and arms are India, China, Malaysia, Kuwait, Cyprus, and Turkey.

Russia: Economist Sees 'Very Solid' Arguments Against IMF Credit

MM0104152796 Moscow ROSSIYSKAYA GAZETA in Russian 30 Mar 96 p 10

[Report by Oleg Milyukov: "Do We Need IMF Credit?"]

[FBIS Translated Text] IMF President M. Camdessus has lavished an extended credit of $10.2 billion on Russia, bringing a sigh of relief from the government. The

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positive emotions about this money clearly outweigh the wry smiles of the skeptics who doubt whether it is necessary. The skeptics include Andrey Illarionov, director of the Economic Analysis Institute, who believes that there is no point in further increasing the country's state debt, which is big enough already. What are the academic's arguments?

The arguments in favor of this credit, Mr. Illarionov said, are not indisputable. What are the usual reasons given for its relevance? Above all, the fact that $3 billion of it already resides in the 1996 budget. But excuse me, the budget was approved at the end of 1995, when there had been no decision to allocate a loan. How could such a fundamental financial law for the country be approved? Why bluff?

The second argument is that there will be no money, we will not get an extension on the payment of $16 billion to the Paris Club. Long and difficult negotiations will be needed on the quarterly rescheduling of the debt. But this is not a new situation for Russia, alas. It has been dogging it since 1992. It is unpleasant but not fatal and the country would not be declared bankrupt automatically. And whereas in 1992-1993 Russia really was not in a position to start repaying the debt, a couple of years on the economic situation started to change. The positive trade balance in 1994 was $16 billion. Last year it rose to $22 billion. Accumulated gross international reserves reached $17 billion. For the first time Russia had a real technical opportunity to fully service its foreign debt, pay the interest, and pay it off. Why build up debts and interest and hand on the worry to our children and grandchildren?

There is also the fear that a country that has not received IMF credits will not get foreign investment and nonresidents will not enter the short-term state bonds market. But is lack of love on the part of international financiers really the only thing that prevents investment? Clearly, it is just an insignificant brush stroke on the picture of a country that wants an influx of capital, particularly as you often get the opposite effect. International organizations actually grant credit to countries which lack credibility with investors, and vice versa. The classic example is China. Not once has it received IMF credit, but it is top dog when it comes to attracting direct private investments, which now exceed $100 billion. So the IMF's decision may not attract foreign capital to Russia. As for short-term state bonds, there is no connection at all; the main thing foreign buyers of these promissory notes are interested in is their profitability.

They say that without IMF credit it will be hard for us to float bonds amounting to $2 billion on the European market. There is no discernible connection here either, since many countries in the world successfully float bonds of this kind without their being tied to loans from international organizations. Incidentally, both prerevolutionary Russia and the Soviet Union did this. Moreover, the need to float Eurobonds is highly dubious. But it is better to start radically changing the policy for attracting revenue into the budget.

Finally, they link the possible refusal to issue credit to political motives, suggesting that if the IMF did not give credit Russia would be finished as a great power. It would be difficult not to call this twisted logic. Can a country that has blithely gotten into debt and become a world leader in terms of foreign borrowing really aspire to a global role in the world process, and does it demean itself somehow by refusing loans and even starting to pay the interest on old debts?

So the arguments "for" do not stand up to criticism. But the arguments "against" are very solid. In the first place, the country's debt would increase very significantly again. Second, the credit is for state needs, that is, for expenditure that is known to be less effective than private expenditure. Third, IMF credit is not tied to anything and there are no guarantees that it will be used to reform the economy.

Russia: Program Appendix on Structure of Exports Published

MM0204101796 Moscow ROSSIYSKAYA GAZETA in Russian 30 Mar 96 pp 7-8

[Appendix 2 to the Federal Export Development Program: "Basic Indicators of the Development of Russian Exports" — date not given; from the "Documents" section]

[FBIS Translated Text]

Dynamics

Russian exports, after a sharp reduction in 1991-1992 to $54.2 billion, rose 9 percent in 1993 and 11 percent in 1994 (Tables 1 and 2). The trend toward the expansion of Russian exports intensified in 1995: According to the estimates available, the rate of growth of exports as a whole will total some 21 percent, which includes a figure of 28 percent for the countries of the far abroad (Table 3). The expansion of exports is connected with the course of liberalization of foreign economic activity and the further reduction in domestic consumption of Russian-produced output, and also with the increase in world prices for the main Russian export goods.

In the context of the continuing fall in the volume of the country's GDP, the elasticity coefficient of exports against GDP (growth rate ratio) increased from 1.02 in

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1992 to 1.31 in 1994. Over the same period the export quota (relationship of exports to GDP calculated on the basis of parity of purchasing power of currencies) rose by 3 percentage points (9 percentage points if GDP is calculated according to IBRD [International Bank for Reconstruction and Development] methodology), and this serves as an objective indicator of the intensification of the export orientation of the Russian economy (Table 4).

At the same time Russia's successes in increasing exports are relative and cannot be seen in isolation from the general dynamics of international trade. In 1994 the elasticity coefficient of Russian exports against world exports was 0.9, leading to a reduction in Russia's share of the worldwide total from 1.63 percent in 1993 to 1.47 percent in 1994 (Tables 5-7).

Geographical Structure

In the first half of the nineties there was an effective reorientation of Russian exports from the countries of the near abroad to the countries of the far abroad. The CIS member states' share of the total trade turnover, according to estimates, fell from 56 percent in 1991 to 24 percent in 1994, and to 22 percent for exports (Table 8). On the basis of the results of the first 11 months of 1995 the proportion of Russian exports accounted for by exports to countries of the far abroad fell still further, totaling 17 percent.

The biggest proportion (some 54 percent) of Russian exports is accounted for by European countries. Their share is stable, since the main bulk of Russia's exports of raw materials goes to that region.

In 1992-1994 there was a marked increase in the role of the Southeast Asian countries as consumers of Russian exports goods: Deliveries to the Republic of Korea, Singapore, Hong Kong, Thailand, and Taiwan almost doubled, outstripping fivefold the rate of increase in the country's exports as a whole. Deliveries of Russian goods to Japan are expanding at a moderately high rate, and to the United States at a rapid rate. In 1992-1994 exports to the United States increased 350 percent (by $2.7 billion in absolute terms), for which there are no precedents in relation to other countries.

In connection with the above, a strengthening in the positions of countries of the Asian-Pacific region as markets for Russian export products can be noted.

In general, in characterizing the geographical structure of the country's exports it should be noted that the range of Russia's trading partners is very wide, but is not yet stable and is insufficiently diversified in a number of parameters. Thus, the developing countries' share is still extremely small, and the share of the industrially developed countries which are able to coordinate their policy in relation to Russia within the framework of NATO, the OECD, the International Energy Agency, and other organizations is disproportionately large in relation to the structure of world imports and Russia's trading and political position. Exports to the CIS member states and the former socialist countries are unjustifiably small, and it would be possible to put these on a more stable legal and organizational footing.

Commodity Structure

The commodity structure of Russian exports retains the predominance of fuel and raw material output, which was stepped up in the first half of the nineties. Mineral products, metals, precious stones and their products, timber, and pulp and paper products accounted for 72 percent of deliveries to the countries of the far abroad in 1992, 74 percent of sales in 1993, and about 78 percent in 1994 (Tables 9-10). The same indicator for all Russian exports (to countries of the near and far abroad) was about 76 percent on the results of 1994. The proportion of fuel and energy goods is stable — at the level of 45-50 percent; the metallurgical group's share is increasing steadily, first and foremost through increasing exports of nonferrous metals to the countries of the far abroad. The natural consequence of the dynamic development of raw materials exports was the rise in the export quota of the majority of the extraction sectors. Thus, at present more than 40 percent of the oil extracted, about one-third of the volume of natural gas, and every fifth tonne of petroleum products produced in Russia go abroad. The export quota for mineral fertilizers and pulp is 85 percent and 31 percent respectively (Table 11). In 1995 a situation was observed in which, for a number of nonferrous metals (such as nickel and copper), export deliveries were two to three times in excess of current production volumes, that is to say, old reserves of commodities were being sent abroad. The figures cited attest to the exhaustion of extensive factors in export growth and respect the sharply increased dependence of raw materials sectors of industry on demand on the foreign market.

In this context, exports of finished products are constantly declining. Deliveries of machinery and equipment to countries of the far abroad fell from $5.2 billion in 1991 to $3.1 billion in 1994, and their proportion fell from 19 to 6 percent (Table 12). Taking into account exports to the CIS countries, the said commodity group's share of the country's exports was rather higher and reached 8.5 percent in 1994, or $5.4 billion in absolute terms. In 1995 the decline in machinery and equipment exports continued, amounting to about 3 per-

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cent in the first 11 months of 1995, while their share of the country's total exports (to countries of the near and far abroad) fell to 5.9 percent as against 8.3 percent in the same period in 1994.

Table 1. Volume of Russia's Foreign Trade (in billions of U.S. dollars at current prices) [numbers in parentheses refer to notes at end of table]

	1990	1991	1992	1993	1994	1995, 11 months
Turnover	183.3	121.9	97.2	101.7	111.7	123.3
Exports	88.5	66.8	54.2	59.2	65.8 (1)	72.1
Imports (2)	94.8	55.1	43.0	42.2	46.0	51.2

Note 1: indicator adjusted on the basis of Russian Goskomstat [State Committee for Statistics] figures for the export of fish products and in the light of additional calculations concerning natural gas exports.

Note 2: including unorganized trading by individuals and humanitarian aid.

Source: Customs statistics for 1994, Russian Goskomstat figures for the first 11 months of 1995.

Table 2. Annual Growth Rate of Russia's Foreign Trade (as a Percentage)

	1991	1992	1993	1994
Turnover:				
Value index	66.5	79.7	104.3	110.2
Physical volume index	89.7	93.3	96.5	101.9
Average price index	74.1	85.4	108.1	108.1
Exports:				
Value index	75.5	81.1	109.3	111.1
Physical volume index	94.6	93.0	119.6	110.6
Average price index	79.8	87.2	91.4	100.4
Imports:				
Value index	58.1	78.0	98.1	109.0
Physical volume index	86.3	95.0	74.5	91.5
Average price index	67.3	82.1	131.6	119.1

Note: The dramatic reduction in exports in value terms in 1991-1992 is associated primarily with the fall in world prices.

Source: Calculated on the basis of Russian Goskomstat figures for the years in question.

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Table 3. Russian Foreign Trade in 1995 (in millions of U.S. dollars) [numbers in parentheses refer to notes at end of table]

	1st quarter	2d quarter	3d quarter	4th quarter (1)
Turnover	30,740	33,903	34,663	36,245
Exports	18,172	20,154	19,805	21,231
Imports (2)	12,568	13,749	14,858	15,014

Note 1: Estimate based on Russian Goskomstat figures.

Note 2: Including unorganized trading by individuals and humanitarian aid.

Source: Russian Goskomstat current data.

Table 4. Relationship of Exports and Imports of Goods to GDP for Leading States and for Russia (as a Percentage) (1) [numbers in parentheses refer to notes at end of table]

	Exports			Imports		
	1992	1993	1994	1992	1993	1994
Russia	5.8	7.1	9.0	4.6	4.3	5.3
	13.5 (2)	17.0 (2)	21.0 (2)			
Austria	23.8	22.1	23.1	29	26.7	28.3
UK	18.3	19.3	20.1	21.1	21.9	22.4
Germany	21.8	19.1	20.2	20.7	17.3	19.9
Italy	14.6	16.8	22.6	15.5	14.8	19.2
Netherlands	43.7	42.4	47.5	41.8	39.5	42.6
Finland	22.1	28	28.7	19.4	21.6	24
France	17.6	16.5	21.3	18.1	16.1	19.1
Switzerland	25.5	25.3	25.5	25.6	24.4	24.7
Sweden	22.7	27	31	20.1	23	27.6
USA	7.6	7.4	9.7	9.3	9.6	10.9
Canada	23.8	26.5	29.7	22.9	25.4	30.3
Japan	9.3	8.6	8.7	6.4	5.7	6.5

Note 1: GDP calculated on the basis of parity of purchasing power of currencies.

Note 2: GDP calculated according to the World Bank method.

Source: "Main Economic Indicators," April 1995; "The World Bank Atlas," 1995 [both titles given in English]

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Table 5. Total Volume of World Trade and the Share of the Leading Countries and of Russia [In the following table, column A in each case is in billions of U.S. dollars; column B in each case is as a percentage; numbers in parentheses refer to notes at end of table]

	1992		1993		1994	
	A	B	A	B	A	B
Exports:						
Total	**3656**	**100**	**3635**	**100**	**4477**	**100**
Russia (1)	54.2	1.5	59.2	1.6	65.8	1.5
Industrially developed countries	2642	72.3	2542	69.9	2900	64.8
Austria	44.4	1.2	40.2	1.1	45.2	1.0
UK	191	5.2	182	5.0	204	4.6
Germany	430	11.8	365	10.0	419	9.4
Spain	64.3	1.8	62.9	1.7	73.3	1.6
Italy	178	4.9	167	4.6	190	4.2
Netherlands	140	3.8	131	3.6	156	3.5
France	232	6.4	206	5.7	236	5.3
Finland	23.5	0.6	23.5	0.7	29.7	0.7
Portugal	18.3	0.5	15.4	0.4	17.5	0.4
Sweden	56.1	1.5	50	1.4	61.3	1.4
Switzerland	61.4	1.7	58.7	1.6	66.2	1.5
USA	448	12.2	465	12.8	513	11.4
Canada	134	3.7	145	4.0	165	3.7
Japan	340	9.3	362	10.0	397	8.9
Imports:						
Total	**3804**	**100**	**3714**	**100**	**4358**	**100**
Russia (1)	43.0	1.1	42.2	1.1	46.0	1.1
Industrially developed countries	2711	71.3	2526	68.1	2885	66.3
Austria	54.1	1.4	48.6	1.3	55.3	1.3
UK	222	5.8	206	5.6	227	5.2
Germany	408	10.7	330	8.9	373	8.6
Spain	99.8	2.6	81.9	2.2	92.5	2.1
Italy	189	5.0	147	4.0	168	6.2
Netherlands	134	3.5	122	3.3	140	3.2
France	239	6.3	201	5.4	230	5.3
Finland	20.7	0.5	18.1	0.5	23.2	0.5

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	1992		1993		1994	
Portugal	30.3	0.8	24.3	0.7	26.6	0.6
Sweden	49.9	1.3	42.7	1.2	51.7	1.2
Switzerland	61.8	1.6	56.7	1.5	64.1	1.5
USA	554	14.6	603	16.3	689	15.8
Canada	129	3.4	139	3.8	155	5.4
Japan	233	6.1	242	6.5	275	6.3

Note 1: Including CIS countries.

Source: "Monthly Bulletin of Statistics" [title given in English], adjusted Russian Goskomstat data for 1994.

Table 6. Russia's Place in World Exports [In the following table, column A in each case is in billions of U.S. dollars; column B is a percentage; and column C is "place"; numbers in parentheses refer to notes at end of table]

	1985			1992			1993		
	A	B	C	A	B	C	A	B	C
USA	219.0	11.4	1	448.0	12.2	1	513.0	11.4	1
Germany	184.0	9.5	2	430.0	11.8	2	419.0	9.4	2
Japan	176.0	9.1	3	340.0	9.3	3	397.0	8.9	3
France	97.6	5.1	5	232.0	6.4	4	236.0	5.3	4
UK	110.0	5.7	4	191.0	5.2	5	204.0	4.6	5
Italy	79.0	4.1	8	178.0	4.9	6	190.0	4.2	6
Canada	84.5	4.5	6	134.0	3.7	8	165.0	3.7	7
Nether-lands	68.4	3.5	9	140.0	3.8	7	156.0	3.5	8
Hong Kong	30.2	1.6	11	120.0	3.3	9	151.0	3.4	9
China	27.3	1.4	13	84.9	2.3	10	121.0	2.7	10
Singapore	22.8	1.2	15	63.4	1.7	13	96.7	2.2	11
South Korea	30.3	1.6	10	76.6	2.1	11	95.9	2.1	12
Spain	25.1	1.3	14	64.3	1.8	12	73.3	1.6	13
Switzer-land	27.5	1.4	12	61.4	1.7	14	66.2	1.5	14
Russia	87.3 (1)	4.5 (1)	7	59.2	1.5	15	65.8	1.5	15

Note 1: USSR.

Source: "Monthly Bulletin of Statistics" [title given in English], August 1992, May 1995.

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Table 7. Value of Exports Per Capita in the Leading Countries and in Russia (in thousands of U.S. dollars)

	1993	1994
Russia	0.4	0.4
Austria	5.0	—
UK	3.1	—
Germany	4.5	5.1
Spain	1.6	1.9
Italy	2.9	3.3
Netherlands	8.6	9.5
France	3.6	4.1
Finland	4.6	5.8
Sweden	5.7	—
Switzerland	8.5	9.5
USA	1.8	2.0
Canada	5.0	5.6
Japan	2.9	3.2

Source: "Monthly Bulletin of Statistic" [title as published, in English], June 1995.

Table 8. Geographical Structure of Russian Federation Exports [Figures appear to be percentages, but this is not explicitly stated; numbers in parentheses refer to notes at end of table]

	1985 (1)	1992	1994	1995
				11 months
Total exports	**100**	**100**	**100**	**100**
Far abroad, total	100	72.8	78.0	82.7
Europe	74.4	58.1	53.8	55.7
of which:				
former CEMA [Council for Economic Mutual Assistance] countries	46.8	14.2	5.8	—
other countries	27.6	43.9	48.0	—
Asia	14.9	16.2	16.1	17.2
of which:				
Japan	1.3	3.1	1.6	—
China	1.1	5.2	4.5	—
Newly industrialized countries and ASEAN	0.3	1.2	1.6	—
America	8.2	2.7	7.3	8.9
of which:				
USA	0.4	1.4	5.2	—
Africa	2.5	1.1	0.8	0.9
Australia and Oceania	0.0	0.0	0.0	0.03
Near abroad	—	21.8	22.0	17.3

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Note 1: USSR.

Sources: USSR Foreign Trade 1985, Russian Federation Foreign Economic Relations 1993, Russian Federation Customs Statistics 1994, Russian Goskomstat figures for the first 11 months of 1995.

Table 9. Commodity Structure of Russian Federation Exports (as a percentage of the total) [numbers in parentheses refer to notes at end of table]

	1985 (1)	1992 (2)	1994 (2)	1994 (3)	1995 (3), 11 months
Total	**100**	**100**	**100**	**100**	**100**
Food goods, agricultural raw materials	2.5	3.9	3.8	3.7	3.3
Mineral products	47.2	52.1	42.3	44.7	44.1
Chemical industry and rubber output	3.9	6.1	7.9	8.3	7.2
Raw leather and furs, products made from them	0.2	0.2	0.7	0.6	0.6
Timber, pulp and paper products	3.0	3.7	4.2	4.0	4.6
Textiles, textile products, and footwear	1.9	0.6	1.7	2.0	2.1
Metals, diamonds, products made from them	5.4	16.4	31.9	26.9	29.6
Machinery, equipment, means of transport	37.2	8.8	6.2	8.5	5.9
Other goods	1.7	8.2	1.3	1.3	2.6

Note 1: USSR (calculated on the basis of a product breakdown slightly different from the one that is now customary, but this does not affect the general proportions of the indicators cited).

Note 2: Far abroad.

Note 3: Far and near abroad.

Sources: USSR Foreign Trade 1985, Russian Federation Foreign Economic Relations 1993, Russian Federation Customs Statistics 1994, Russian Goskomstat figures for the first 11 months of 1995.

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Table 10. Level of Concentration of Certain Countries' Exports (Individual Trading Positions as Proportion of Total Export Volume)

Trading positions	Russia	USA	Canada	Brazil	ROK	India
Three main positions	38	18	25	21	17	28
Five main positions	48	25	35	30	25	35
10 main positions	57	37	50	44	3	50

Source: Russian Federation Goskomstat figures for the first 11 months of 1995; UNCTAD [UN Conference on Trade and Development) 1987-1988.

Table 11. Relationship of Exports to Production Volumes for Individual Products in Russia (as Percentages) [numbers in parentheses refer to notes at end of table]

	1992	1993	1994	1995, 10 months
Electricity	0.4 (1)	0.58 (1)	0.94 (1)	2.4
Oil	35.4	34.7	40.2	40.9
Petroleum products	14.8	20.3	25.2	25.8
Coal	10.1	8.9	8.8	11.6
Gas	30.2	27.6	30.4	33.0
Mineral fertilizers	69.3	72	85.1	—
Pulp	13.3	24.5	30.8	31.2
Cement	3.7	2.6	1.9	2.7
Pig iron	4.2	5.7	9.5	6.7
Metal-cutting machine tools	31.6	65.3	94.4	—

Note 1: To countries of the far abroad.

Source: Russian Goskomstat figures for the period in question.

Table 12. Indicators of the Change in Russia's Relative Specialization in the International Division of Labor for Machinery and Equipment [numbers in parentheses refer to notes at end of table]

	1985	1992	1995, 1st half-year
Proportion of machinery, equipment, and means of transport in exports:			
A. Russia	13.6 (1)	8.8 (2)	5.0 (3)

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	1985	1992	1995, 1st half-year
B. World	31.1	37.0	38.5 (4)
Index of Russia's relative specialization in the international division of labor (A/B)	43.7 (1)	23.8	13.0

Note 1: USSR.

Note 2: Far abroad.

Note 3: Far and near abroad.

Note 4: Estimate.

Sources: Russian Goskomstat figures; USSR Foreign Trade in 1985, "Handbook of International Trade and Development Statistics" [title given in English], UNCTAD, 1989; "Monthly Bulletin of Statistics" [title given in English], United Nations, May 1995.

Footnote: The index of the country's relative specialization in the international division of labor shows the degree to which its export structure conforms to worldwide trends in trade development. According to the figures in the table, the proportion of machinery and equipment in Russia's exports is steadily falling, while the share of the corresponding group of commodities in world exports has increased by nearly one-fourth in the past 10 years. As a result the index of Russia's relative specialization in the international division of labor for machinery and equipment has almost halved in the period 1992-1995 alone.

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International Affairs

Ukraine: Kiev Reacts to Delayed Yeltsin Visit 'With Understanding'

LD0104201196 Moscow INTERFAX in English 1757 GMT 1 Apr 96

[FBIS Transcribed Text] KIEV, April 1 (Interfax-Ukraine) — Ukraine has reacted to Russian President Boris Yeltsin's decision to delay his official visit to Kiev "with understanding," according to a statement from the Ukrainian Foreign Ministry, but stands by its bargaining position on the Black Sea Fleet issue.

"The Ukrainian side did everything possible to solve the problems which the Russian side says motivated the delay," the statement read.

Ukraine affirmed its belief that a meeting of the presidents would be useful and reiterated its readiness to play host to the Russian president.

"Ukraine is negotiating the terms of the Russian fleet's basing and length of stay in Ukraine, and is prepared to continue these negotiations," the statement said.

The main reason for the postponement of Yeltsin's stay, according to his press secretary, was the lack of a solution on several key issues connected with the basing of the Russian portion of the Black Sea Fleet, the statement read.

"The issue of where Ukraine places its navy on its own territory is a purely internal matter for Ukraine as a sovereign government," the Foreign Ministry stated.

"Ukraine is holding firmly to the Sochi Accords on the Black Sea Fleet, keeping in line, as before, with its national interests," the statement read. "Crucial agreements between the two countries should not be tied to still unsolved problems."

Ukraine is prepared to host Yeltsin at a mutually convenient time, the statement read.

Ukraine: Official: Kiev Cannot Compromise Over Black Sea Fleet

LD0104162096 Moscow ITAR-TASS World Service in Russian 1526 GMT 1 Apr 96

[By ITAR-TASS correspondent Mikhail Melnik]

[FBIS Translated Text] Kiev, 1 Apr (Itar-Tass) — "The problem of the Black Sea Fleet should be resolved so that both the Russian and Ukrainian fleets are based in Sevastopol. This is Ukraine's firm position," Ivan Bizhan, first deputy defense minister of Ukraine, said at a briefing today. It has been reported many times that Russia is opposed to a joint base for the fleet.

Ivan Bizhan stressed that Ukraine cannot agree to compromises." "What possible compromises can there be when Sevastopol is Ukrainian territory," he said. The first deputy minister also accepts that a consensus may not be found on the Black Sea Fleet problem. In that case, he believes, "the question arises of halting the division of the Black Sea Fleet."

It was announced in Moscow earlier today that Boris Yeltsin has decided to postpone his visit to Ukraine planned for 4-5 April, because the problem of where to base the Russian Black Sea Fleet had not been resolved.

Ukraine: Russia Reportedly Not Supplying Nuclear Fuel Elements

LD0104130596 Moscow INTERFAX in English 1138 GMT 1 Apr 96

[FBIS Transcribed Text] KIEV, April 1 (Interfax-Ukraine) — Russia has not supplied a single nuclear fuel element in 1996 to Ukraine in exchange for the nuclear weapons removed from Ukraine into Russia, Nur Nigmatullin, deputy chairman of the Ukrainian State Nuclear Energy Committee, told Interfax-Ukraine. He said that as many as 155 such elements were to be delivered before the end of March.

Supply of fuel elements in exchange for nuclear warheads was agreed in a statement signed by Ukrainian, Russian and U.S. presidents in January 1994.

Nigmatullin said that without Russian fuel, the Ukrainian nuclear power stations would have to be closed down.

The situation is made worse, he explained, by the Ukrainian debt of $13 million to Russia in March for the fuel elements. At the same time, Nigmatullin added, consumers owe the nuclear power stations a total of over 100 trillion karbovantsi. "Unless the money is forthcoming, the nuclear reactors will have to be stopped," he said.

Asked by Interfax-Ukraine about the tender for construction of a factory that would manufacture fuel for the VVER-1000 reactors used in Ukraine, Nigmatullin said that the Russian Kontsern TVEL company has not met all the requirements of the tender. However, because the company has offered very low prices for uranium and its enrichment, the tender commission suggested to the Ukrainian government that Kontsern TVEL should be declared the winner, provided that the Russian government guarantees stable prices of uranium and its enrichment for 15 years.

Russia is now considering the Ukrainian conditions.

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Ukraine: Nuclear Energy Agreement Signed With PRC

LD0104125896 Moscow INTERFAX in English 1022 GMT 1 Apr 96

[FBIS Transcribed Text] KIEV, April 1 (Interfax-Ukraine) — The Ukrainian State Nuclear Energy Committee and the Chinese State Nuclear Energy Corporation signed an agreement on peaceful use of nuclear energy in Beijing on March 27.

The agreement provides for cooperation in prospecting for and mining of uranium ores, joint research and development of water-cooled reactors, and cooperation in construction of and maintaining safety in nuclear power stations, committee deputy chairman Nur Nigmatullin told Interfax-Ukraine on Monday.

According to Nigmatullin, the Chinese showed interest in Ukrainian turbines and pumps. The Chinese nuclear engineers would like to cooperate with the Kiev and Kharkov power station design institutes.

Three nuclear reactors whose power totals 2,100 MW are operational in China now. The first of them was constructed as late as in 1991, but before the year 2000 China plans to operate nuclear stations whose power will total nearly 20,000 MW.

Ukraine: Kuchma Invites WEU Secretary General To Visit

WS0204080596 Kiev UKRINFORM in English 0657 GMT 2 Apr 96

[From the "Current Events" feature]

[FBIS Transcribed Text] As the Ukrainian Foreign Ministry's press center reported on Monday, April 1, Ukrainian Ambassador to Belgium, the Netherlands and Luxembourg Borys Tarasyuk met at the West European Union's headquarters with West European Union Secretary-General Cutileiro and British envoy Golden.

The meeting, which was held within the framework of the Ukrainian-WEU dialogue, focused on Mr. Cutileiro's forthcoming visit to Ukraine by an invitation from Ukrainian President Kuchma. The visit will be preceded by Ukrainian Foreign Minister Hennadiy Udovenko's meeting with members of the WEU Standing Council and the latter body's Chairperson's visit to Kiev.

The WEU Secretary-General's visit to Ukraine is expected to deepen the nations' relations with the West European Union. As local political analysts note, the West European Union's attitude to Ukraine has been increasingly influenced by the public opinion tending to view Ukraine as a European nation and a major partner for Western Europe.

Ukraine: Defense Minister Begins Visit to Czech Republic, Slovakia

LD0104123996 Kiev UNIAN in Ukrainian 1100 GMT 1 Apr 96

[FBIS Translated Text] Kiev — Ukraine's Defense Minister Valeriy Shmarov began his official visit to the Czech Republic today. The Ukrainian Foreign Ministry's press service told UNIAN that the program envisions his meetings with the president of the Czech Republic, the ministers of defense and foreign affairs, and members of parliament. The sides will discuss bilateral relations between the armed forces of the two countries, vital issues of European security, prospects for NATO's eastwards expansion, etc. They will also discuss cooperation within the framework of NATO's "Partnership for Peace" program and participation of national subunits in peacekeeping operations.

The visit is expected to end with the signing of a number of agreements on military cooperation between the two countries' defense ministries.

At the end of its visit tomorrow, the Ukrainian military delegation will visit Bratislava in accordance with the plan for bilateral cooperation between the defense ministries of Ukraine and Slovakia.

National Affairs

Ukraine: Hermetic Shell 'Flaw' Causes Nuclear Plant Closure

AU0104182396 Kiev HOLOS UKRAYINY in Ukrainian 29 Mar 96 p 1

[Unattributed report: "The Zaporizhzhya AES Third Power Unit Has Been Disconnected"]

[FBIS Translated Text] In the afternoon of 27 March, the third power unit of the Zaporizhzhya Nuclear Power Station [AES] was disconnected from Ukraine's power-engineering network.

The INTERFAX-UKRAYINA Agency has been informed at the Press Center of the State Committee for Atomic Energy that the disconnection was due to a flaw in the first circuit blow-through line in the power unit's hermetic shell. The damage does not create any environmental hazard and, according to the international scale for evaluating incidents at AESs, it is rated as zero-level, off the scale, it was reported at the Press Center. The radiation situation around the station is unchanged. According to tentative estimates, the problems will be eliminated by 31 March.

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Ukraine: Cabinet Endorses Rules for Control of Nuclear Material

LD0104192896 Moscow INTERFAX in English 1716 GMT 1 Apr 96

["INTERFAX-UKRAINE" news item]

[FBIS Transcribed Text] Kiev, April 1 (Interfax-Ukraine) — Ukrainian Cabinet of Ministers has endorsed "Rules for control over export, import and transit of commodities connected with nuclear activities, which can be used for the manufacture of nuclear weapons".

Among the commodities are primary materials (uranium, thorium and their alloys), special materials (plutonium-232, uranium-233), technology, equipment and activities connected with nuclear fuel cycle beyond IAEA [International Atomic Energy Agency] control.

Export of such commodities should be allowed by a one-time permit of the government export control commission.

Export (or any kind of turning-over) of nuclear materials, deuteriura and heavy water, or installations for their processing and concentration to the countries free from nuclear weapons shall only be allowed on presentation of official assurances of the importer-country to the effect that the imported commodities as well as the nuclear and non-nuclear materials to be produced from them shall not be designed for the manufacture of nuclear weapons and combat devices, and not be subject to re-export.

Export operations with such materials shall be under supervision of the Environment and Nuclear Safety Ministry.

The government export control commission shall also supervise import and transit across Ukraine's territory of such materials, radioactive materials included.

Ukraine: Third Power Unit at Zaporizhzhya Nuclear Plant Operational

LD0104194296 Moscow INTERFAX in English 1716 GMT 1 Apr 96

[FBIS Transcribed Text] Kiev, April 1 (Interfax-Ukraine) — After the maintenance the third power unit of the Zaporizhzhya Nuclear Power plant was switched on the power grid and now is in optimum operation, Interfax-Ukraine was told at the Public Relations Center of the Ukrainian Nuclear Power Committee on Monday.

On March 27, the third power unit of the Zaporizhzhya NPP (water-moderated water-cooled power reactor) was switched off the Ukraine's power grid because of the flaw in the containment vessel of the power unit. The incident was rated zero on the INES scale.

The third power unit of the Rive Nuclear Power Plant was also switched on the power grid on Sunday. Now it is in optimum operation. The power unit, which is also water-moderated water-cooled power reactor, was halted on march 29 for maintenance. The unit has been switched on the grid after its testing.

By April 1, 13 out of 15 power units of five Ukrainian NPPs are in operation Over the last twenty four hours they generated 259.1 million kilowatt-hour of power under the load of 11.7 million kilowatt.

The second power unit of the Zaporizhzhya NPP is under medium repair with fuel recharging. The unit is to be switched on the power grid on May 12.

Besides, the first power unit of the Pivne NPP is under medium repair. The unit is to be switched on the power grid on April 30.

Ukraine: Army Strength To Fall by 50,000 by End of 1996

LD0204083796 Moscow ITAR-TASS in English 0641 GMT 2 Apr 96

[By Igor Shamshin]

[FBIS Transcribed Text] PRAGUE April 2 (Itar-Tass) — The Ukrainian army will be reduced from 450,000 to 400,000 before the end of this year, Ukrainian Defence Minister Valeriy Shmarov has stated.

During a meeting with Vladimir Suman, Chairman of the Czech Parliament Committee on Defence and Security, on Monday, Shmarov, who is here on an official visit, said changes in the structure of Ukraine's armed forces are connected with a revision for his country's military doctrine which is now of purely defensive nature.

Shmarov, who also held talks with Czech Deputy Foreign Minister Aleksander Vondra, assured him that "Kiev understands Prague's desire to join NATO and does not hold a negative position on the issue."

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Ukraine intends to ensure its own security through the establishment of a system of bilateral treaties with European countries on military cooperation.

Ukraine: Kuchma Appoints New Deputy Foreign Minister

LD0104195996 Kiev UNIAN in Ukrainian 1750 GMT 1 Apr 96

[FBIS Translated Text] Kiev — President Leonid Kuchma has signed a decree dismissing Valentyn Lipatov from the post of foreign affairs minister, and appointing Borys Hudyma in his place, UNIAN learned at the press office of the Ukrainian president's administration.

Until now Borys Hudyma was Ukraine's deputy permanent representative at the United Nations.

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Belarus

Belarus: Lukashenka Addresses Nation on Russian Union

LD0104213896 Minsk Radio Minsk Network in Belarusian 1759 GMT 1 Apr 96

[Address to the nation by Belarusian President Alyaksandr Lukashenka; place and date not given — live or recorded; Lukashenka speaks in Russian]

[FBIS Translated Text] Dear fellow countrymen, citizens of the Republic of Belarus: The day of 2 April will enter history as the day on which the community of sovereign republics comes into being. I am confident that this step is fully in keeping with the aspirations of our people and the interests of our state.

We are called brother nations and rightly so. The common grief and joy and the joint struggle against alien invaders made for cohesion between Belarusian and Russian people resulting in a single entity, which it is not in anyone's power to split asunder.

During the 1991 referendum, most of you clearly and unequivocally came out in favor of preserving our common home, the Soviet Union. However, your will was ignored at that time. In May last year you confirmed yet again your choice concerning the union with Russia. As the people's president, I have been doing everything and am doing everything to justify the trust of the Belarusian people in this issue, one of the most important issues for our future.

Esteemed fellow countrymen, I never promised you any other policies during the last 18 months or during the presidential elections. You always supported this policy.

That is why, in keeping with the will of our peoples, the president of Russia and I will sign a treaty that will put right a historical error of 1991 that separated Belarusian and Russian people.

The policy of rapprochement with Russia is a policy for the people, for each of you. You can judge this for yourselves, by the results we have managed to achieve in the past year. The lighting, heating, and hot water supplies to our homes during this terrible, harsh winter represent a tangible result of our policy.

We have achieved identical fuel, raw material, oil, and gas prices for Belarusian and Russian enterprises. We get other goods from Russia at prices significantly below the world prices. The annual savings obtained through this alone are comparable with an IMF loan, the extension of which is bound up with conditions that are not always acceptable to Belarus, conditions which do not always take account of the interests of the common people.

You know that an agreement on the zero option, an agreement of exceptional importance for our economy, has been signed. As a result of this agreement, the Republic was saved from its huge debts to the Russian Federation for fuels.

The establishment of the community of sovereign states will enshrine all the positive aspects of the relations between Belarus and Russia. It will create a qualitatively new potential for the development of our relations.

Belarusian and Russian citizens are, within the community, guaranteed absolutely equal rights in welfare, employment, health provisions, the acquisition of property, and construction of housing.

Citizens of our countries will feel at home in any part of the community, both in Belarus and Russia. You will not be treated as a foreigner either while you are crossing the border or while you are looking for a job. Just like in the times of the USSR, any young Belarusian man and any Belarusian girl will be able to receive education at any university or college in Moscow or other Russian centers of science and education. The united community of Russia and Belarus will be advancing together along the path of improving their economies. The community will supply work to labor collectives at our enterprises, which, right from the beginning, were created with a view to working for the union's market. Belarusian and Russian enterprises will have equal rights in everything, among other things in setting prices for raw materials and fuel. This means that Belarusian goods will be competitive in the boundless Russian market.

We will create in the community economic, social, cultural, and scientific links between Belarus and Russia on a qualitatively new basis. The unification of the material and spiritual resources of Belarusian and Russian people will enable them to overcome their crisis phenomena quicker while guaranteeing our nations the life styles they deserve. This will be done by way of implementing joint Belarusian-Russian programs in the economic, social, scientific, and other spheres. The programs will not just remain on paper as is happening in the Commonwealth of Independent States. In our community they will be implemented according to a budget that will be formed by the contributions made by Belarus and Russia.

The program of joint action to surmount the consequences of the Chernobyl disaster will be the first here. You know that with the disintegration of the USSR, Belarus was left alone to deal with this terrible calamity.

The creation of the community will increase the potential, immeasurably so, to assist those who suffered from this nuclear disaster, the worst in mankind's history.

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The community will establish a small system of bodies of authority. It will have all the powers at its disposal and it will be an effective system. All the most important decisions will be adopted by a council with heads of states, parliaments, and governments of both countries as members. During the process of adoption of these decisions, Belarus and Russia will have absolutely equal rights in this highest body.

An interparliamentary congress is being set up. Its work will help to pool the experience and intellectual potential of deputies of both countries and standardize Belarusian and Russian legislation.

An executive committee will become a standing body of the community. It will comprise an equal number of representatives from the Belarusian and Russian sides and will be formed by the two heads of state.

We are convinced that the system of the bodies of the community will work speedily and effectively, without, at the same time, encroaching on the sovereign rights of Belarus and Russia. I want to emphasize that the community will become a qualitatively new form of interstate interaction. It will not have this unnatural centralization that the Soviet Union suffered from. However, nor will it have this weakness and inefficiency that practically renders the CIS useless. Both Belarus and Russia will remain free and sovereign within the community. Following the signing of the agreement, our republic will independently define its home and foreign policy.

Do not believe those who are shouting about our sovereignty being given up. This is not true now and this will never happen. The treaty we will sign on 2 April contains provisions guaranteeing freedom for the Russian and Belarusian states to practice their sovereign rights. I will tell you more. Having joined our material and intellectual resources with those of Russia, the Belarusian state will be able to stand on its feet faster and more effectively and become stronger. As the community establishes itself, the level of national security will rise. The Belarusian and Russian law-enforcement bodies will be able to join their efforts to fight crime. Belarus and Russia will get even closer in their cooperation in protecting their borders. Our Armed Forces will be fulfilling their allied duty in relation to the Russian Federation only on the territory of Belarus. I am taking the responsibility to state that not a single Belarusian serviceman will fight beyond the borders of Belarus. All the talk about Belarus taking part in the events in Chechnya or some other conflict on the territory of other CIS states is a helpless lie. This lie was needed by the opponents of the treaty to intimidate people. As of today, this card can no longer be played. Tonight the Russian troops are leaving Chechnya. They are departing from Chechnya, and in Chechnya another process, in the direction of peace, is now under way.

Belarus will cooperate dynamically not just with Russia, but also with other countries, first and foremost its neighbors. We all have the potential to play a more prominent role in the peaceful cooperation in our region.

My meeting with Polish President Aleksander Kwasniewski on 30 March convinced me yet again that the Western thrust of our policy is exceptionally promising for the Belarusian state.

As a fully fledged entity in international law, Belarus will continue to work actively in the United Nations and other international organizations.

Esteemed fellow citizens, we all live in significant times. The old dream of the peoples of the Soviet Union, the Slavonic peoples above all, of unification is beginning to come true.

As president of the Republic of Belarus I assure you I will not spare any effort to ensure that this process is developed anew to benefit our people.

Esteemed fellow citizens, dear fellow countrymen, I express my gratitude to you, to all those who supported and support my policies. I am grateful to all who believe in me as head of state. I assure you that everything I said today will be implemented.

I will not let down those people who elected me to the post of president. Thank you.

Belarus: Lukashenka Remarks on Polish 'Corridor,' Treaty With Russia

WS0104144296 Minsk BTK Television Network in Belarusian 1800 GMT 31 Mar 96

[Statement by Belarusian President Alyaksandr Lukashenka at a news conference on results of talks with Polish President Aleksander Kwasniewski in Viskuli on 29 March in Russian — recorded]

[FBIS Translated Text] We categorically rejected the term suggested primarily by you, the reporters, of some kind of corridor in northern Poland. We have never discussed any transportation corridors; we only meant that Russia should maintain normal relations with its compatriots in Kaliningrad Oblast via the territories of Belarus and Poland. I support Polish President Kwasniewski's opinion that we should not create any transnational corridors or whatever they may be called. We should simply modernize the existing transport routes to ship cargo to Kaliningrad, Gdansk, or other places where good conditions will be created

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for producers. We reached full mutual understanding on this issue.

We discussed border checkpoints a great deal, not only those for transport. We sometimes forget about the people. More than 300,000 Poles currently live in Hrodna Oblast. The only election promise that I have not kept so far — mostly due to subjective reasons, such as the election campaign in Poland — is my promise to create normal conditions for the Polish population of Hrodna Oblast. We should create normal conditions, so that Poles living in Hrodna Oblast can freely communicate with their relatives and friends from across the border. We agreed that as presidents we will assume personal control and patronage over these problems. People are our primary concern — both Poles living in Belarus and Belarusians living in Poland.

We also discussed the issue of establishing two Euroregions — the Bug and the Neman. We supported those initiatives. As for the Neman Euroregion, it will include Hrodna Oblast, Lithuania, Kaliningrad Oblast, and northern Poland. We should give a free hand to commodity producers in that region, to give people the opportunity to cooperate.

We also discussed the problem of the Bug Euroregion which will include Ukraine, Belarus, and appropriate voivodships of Poland. We should give the people the opportunity to freely cooperate.

I have before me the latest version of the Belarusian-Russian treaty, the only version with which I was presented last night. I had read all its clauses, and when [President Kwasniewski] asked me about the future of Belarus I read Section 15 to him: Being members of a union of sovereign republics each party retains its state sovereignty, independence, and territorial integrity, as well as its constitution, national flag, emblem, anthem, and other attributes of state power. Our Republic, as well as Russia, is and will be a subject of international law and will independently initiate diplomatic and consular relations, and so on. The treaty is open for admission by all states on the principles envisioned by the treaty, including the Polish Republic, if it is ready to do so. I said this to President Kwasniewski and when he heard the exact text of Section 15 of the treaty he said: I have no questions. I am dealing with a sovereign state and its president.

Belarus: Minsk Police Warn Opponents of Union With Russia

WS0204103696 Minsk Radio Minsk Network in Belarusian 1000 GMT 2 Apr 96

[FBIS Translated Text] The events that took place in Minsk on 24 March [rally of opponents of Belarusian-Russian integration] clearly demonstrated that there are forces in the Republic of Belarus which do not want further rapprochement between the fraternal Slav nations, reads an appeal by the Minsk City Executive Committee Interior Ministry Directorate. The disorder provoked by those people paralyzed city transport for several hours in the center of Minsk and entailed material damage of around 300 million rubles. The main thing, however, is that people were injured.

Recently, unsigned leaflets appeared again in many districts of the city. Aggresively and in disregard of the law, which is typical of them, the authors of the leaflets call on the residents to gather on Independence Square on 2 April, despite the fact that nobody has applied to the Minsk City Executive Committee for permission to hold a rally. Thus, attempts are being made again to provoke violations of the law.

In accordance with the oath and the Law on the Police, the employees of the Minsk police garrison will react appropriately to violations of public order. The Interior Ministry Directorate warns that participation in the aforementioned unsanctioned rally is illegal and that measures will be taken against violators, including the use of enforcement measures envisioned by existing legislation.

Moldova

Moldova: Snegur Criticizes Russian Duma's Support of Separatists

LD0104194896 Moscow INTERFAX in English 1745 GMT 1 Apr 96

[From the "Presidential Bulletin" feature]

[FBIS Transcribed Text] Replacement of Russian units by multinational peace units can be helpful in resolving the Transdniester conflict, President Mircea Snegur told Joseph Pressel, coordinator on newly independent states in the U.S. state Department.

Snegur said that talks with the Tiraspol leaders could be more productive, if various political groups in Russia, notably in the State Duma, did not support Tiraspol's excessive ambitions. He described this support as interference in Moldova's internal affairs.

Snegur expressed the hope that the meeting of the Russian, Ukrainian and Moldovan presidents to be held in Moscow in the second half of May will help resolve the Transdniester conflict. He said that the trilateral statement made by the leaders of those countries during the latest CIS summit had helped make the Chisinau-Tiraspol talks more fruitful, especially in restoring the economic links.

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Snegur also praised the efforts of the OSCE mission and Moscow and Kiev officials in the talks on the Transdniester situation.

Pressel said that the U.S. wants the Transdniester conflict resolved and will do its best to make this possible.

His country alone could not do the job, he said.

Pressel did not believe that much progress can be made in that issue before the presidential elections in Russia because the Transdniester situation is heavily dependent on the Russian developments. Everything will depend on the parties in the conflict and the mediators, he said.

Moldova: Cabinet Rejects Accusations of Eastern Orientation

AU0104142796 Chisinau BASAPRESS in English 1930 GMT 30 Mar 96

[FBIS Transcribed Text] Chisinau 30/03/1996 (BASA-press) — The Moldovan Government called on the Moldovan population to be careful about "the attempts" by "destructive forces of all colors both from Moldova and abroad accusing the central and local authorities without no reason."

According to a statement adopted by the cabinet today at a sitting, "certain political forces in the country and abroad compromise the government with a view to destabilize the situation, attempt to doubt the rightfulness of the government's policy, its professionalism and ability, pushing it to populist actions and decisions."

These attempts "run counter to the real state capabilities and interests of the citizens. The attempts to accuse the government of stopping reforms, in particular in the agricultural sector, are groundless."

The government is coerced to make a "big leap" which cannot but definitively destroy the productive and social potential of the villages created for a long period, and "deprive of the right to own land those who work it."

The essence of government's position criticized by opponents is the maintenance "of the functioning ability of the agroindustrial complex which is the core of the economy."

The Sangheli cabinet rejects accusations that the government is orientated "only to the East. Statistics categorically deny these groundless statements. The tendency to improve the complex situation about wages, pensions and compensations in as short a period as possible is mere populism, because the opponents keep silent about the causes of the current situation, real economic possibilities and the fact that most debts have to be paid off by economic entities.

"The Government is concerned about the actions of certain parties which aim to destabilize the socio-political situation in Moldova, strip the government of the functions provided by law in order to promote a policy designed to ensure national security and defence."

According to the statement, those who accuse the cabinet try to earn political capital for future presidential elections.

The government calls on citizens to stay calm and participate "in the fulfillment of the spring works in the process meant to raise production and fulfill the governmental social security policy."

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Kazakhstan

Kazakhstan: Nazarbayev Not To Sign Russia-Belarus Union Agreement

LD0104163896 Moscow INTERFAX in English 1535 GMT 1 Apr 96

[FBIS Transcribed Text] ALMATY, April 1 (INTERFAX) — Kazakh President Nursultan Nazarbayev said Monday [1 April] there is no way Kazakhstan will be adding his signature to tomorrow's Russia-Belarus union agreement, Nazarbayev told a Monday press conference.

"I was outraged" by reports on Russian television Sunday that "I am willing to sign the document April 2 with Yeltsin and Lukashenka," he said.

Nazarbayev "signed the agreement [for further integration] March 29 in Moscow for which Kazakhstan was ready and which is in the interests of the Kazakh people."

"No one knows the contents of the Russia-Belarus agreement," he said, adding that it looks as though the presidents of those countries "intend to form a community of government."

As for future Russian-Belarusian relations, Nazarbayev said he "respects any choice, if it answers the wishes of the ordinary Russian or Belarussian."

"Kazakhstan has not taken part in nor will take part in any integration besides that which is voluntary, and made by equal and independent governments," Nazarbayev said.

Kazakhstan: Nazarbayev Offers To Mediate in Chechen Peace Talks

LD0104134696 Moscow INTERFAX in English 1305 GMT 1 Apr 96

[FBIS Transcribed Text] ALMATY, April 1 (INTERFAX) — Kazakhstan President Nursultan Nazarbayev says he is ready to act as mediator in the Chechen peace talks if asked to by Russia, Nazarbayev told reporters in Almaty on Monday.

He spoke of having received a string of letters from local residents asking him to act as peace broker in that regional conflict. Members of the Chechen community of Ust-Kamenogorsk, East Kazakhstan, in their appeal to Nazarbayev pointed to his mediation in the peace process in Nagorno-Karabakh and Tajikistan and asked him to wield influence on Moscow, and act as peace broker in the Chechen talks.

The Kazakh leader spoke of having discussed the problem with Russian President Boris Yeltsin on March 29, telling him that everything must be done to end the violence in Chechnya.

He said neither Russia nor other CIS states stand to benefit from the conflict. Nazarbayev spoke of offering Yeltsin his own brokerage in a bid to stop the bloodshed.

Negotiations can be held if not with Dudayev, then with those who present a real force in order to stop the fighting and bring about a truce, Nazarbayev said. He said he had no idea with whom exactly he could negotiate, but "if such a request is made, I am ready to try to find whatever approach is needed."

Kyrgyzstan

Kyrgyzstan: Akayev, Other Officials Praise Closer Russian Ties

LD0104173996 Moscow NTV in Russian 1700 GMT 31 Mar 96

[Report by Yelena Masyuk, Sergey Rebrov, and Valeriy Ivanov; from the "Itogi" program]

[FBIS Translated Excerpt] [Masyuk] The Soviet person who rejoices at the collapse of the Soviet Union has no heart, but he who dreams of restoring the Soviet Union has no brains. This is one of the favorite sayings of President Askar Akayev of Kyrgyzstan.

[begin Akayev recording] I regard all this talk of restoration of the USSR simply as an exclusively political action with an electoral campaign goal. If the communists come to power, if they suddenly win in Russia, I do not think they will start implementing this idea. [end recording]

Absomat Masaliyev, leader of Kyrgyzstan's Communists and former first secretary of the Kyrgyz Communist Party Central Committee, who won 25 percent of the vote in last year's presidential elections, is sure that Gennadiy Zyuganov will be president in Russia.

[begin recording] [Masyuk] If Zyuganov wins in the Russian presidential elections, will things be easier for your Communist Party in Kyrgyzstan?

[Masaliyev] I think it will be easier, to some degree. There is nothing to conceal here. He is a democratic man. The words sovereignty and independence are very bad words, I will tell you frankly. They mean father and son are independent, husband and wife are independent, members of the family are independent, neighbors are independent. In the final analysis, this will lead to confrontation. [end recording]

[Masyuk] In the event that Zyuganov wins, in Masaliyev's view, a voluntary union of fraternal peoples could be created on the former Soviet territory, something along the lines of a mini-USSR.

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[begin recording] [Masyuk] Who do you think might head such a voluntary union?

[Masaliyev] [passage omitted] Well, there is Nikolay Ivanovich Ryzhkov, if you like, or it could be Zyuganov. I would not rule out these young lads who call themselves democrats, either. [end recording]

[Masyuk] From the Communists' point of view, unification is necessary, first and foremost, to restore the economy of the former USSR. For example, the computer works has cut output of digital computers for military aircraft by 95 percent, and now manufactures solar batteries and gas pistols. [passage omitted]

Russians are very well regarded in Kyrgyzstan. Russian is the second official language. Migration of the Russian population has fallen 90 percent compared with 1993. A Russo-Kyrgyz Slavonic University has been operating in Bishkek for three years now. [passage omitted]

A Russian has been elected mayor of the Kyrgyz capital Bishkek, and he is a former Communist, too. [passage omitted]

Kyrgyzstan does not forget that there are Muslims living in the Republic. In the last six months the only mosque in the whole of Bishkek has been built. Young Kyrgyz have started studying in the Islamic institute. [passage omitted]

Many people in Kyrgyzstan link their future and the future of the Republic with President Akayev. [passage omitted]

As Akayev says, Kyrgyzstan has developed under Russia's wing for 210 years. Today, Kyrgyzstan is one of the highest educated countries in Asia, thanks to relations with Russia. [passage omitted]

Tajikistan

Tajikistan: Rakhmanov Applauds CIS States' Integration Agreement

LD0204091496 Dushanbe KHOVAR in Russian 1110 GMT 1 Apr 96

[FBIS Translated Text] On 30 March, the day of the signing of the agreement to deepen integration in the economic and humanitarian spheres by the presidents of Russia, Kazakhstan, Belarus, and Kyrgyzstan, Tajik President Emomali Rakhmanov told an ITAR-TASS correspondent that he regarded the decision of the heads of the four CIS states with satisfaction. The president views it as a qualitatively new stage in practical rapprochement and deep integration among the sovereign states of the CIS. Moreover, he especially emphasized that Tajikistan stands on the threshold of joining the customs union, and favors setting up a payments union.

The majority of CIS countries, the Tajik president noted, have matured enough to set up a more effective and efficient union of sovereign states. Tajikistan has favored and does favor the establishment of a real, unified, economic, defense, humanitarian, and information space for the CIS states. Integration must acquire the highest forms and an irreversible nature, he said.

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Armenia

Armenia: Papazyan Leaves for Moscow CIS Foreign Ministers' Talks

NC0104181196 Yerevan SNARK in English 1557 GMT 1 Apr 96

[FBIS Transcribed Text] Yerevan, April 1 (SNARK)—Today, Armenian Foreign Minister Vahan Papazyan left for Moscow to participate in the next session of the CIS Foreign Ministers' Council.

SNARK was informed by Ministry's Press Office that the Foreign Ministers are expected to discuss the program for CIS integration development, draft agreements on the order of trips of citizens from the CIS to other countries, as well as the court status of the CIS countries. The settlement process of the Georgian-Abkhazian conflict, and a number of issues concerning military cooperation among CIS countries are scheduled to be touched upon as well.

Armenia: Armenian-Azerbaijani Cease-Fire Violations Reported

LD0104162596 Moscow INTERFAX in English 1305 GMT 1 Apr 96

[FBIS Transcribed Text] YEREVAN, April 1 (INTERFAX)—New violations of the Armenian-Azerbaijani ceasefire were registered Sunday, the press center of the Armenian Defense Ministry told Interfax Monday.

Azerbaijani units opened gunfire on the village of Doveg in the Noemberlian district of Armenia Sunday afternoon, it said.

The village of Chinar in the Taush district, and Armenian positions near the village Kayan in the Idzhevan district came under attack from automatic weapons and grenade attack later on Sunday evening, it said.

The shelling left no human victims, the press center said.

"Armenian units returned fire in all the cases, making the Azerbaijanis stop shooting," a spokesman for the press center said.

Interfax does not yet have reports on the situation on the Armenian-Azerbaijani border from the Azerbaijani Defense Ministry.

Azerbaijan

Azerbaijan: Latest Round of Moscow Talks on Nagorno-Karabakh End

NC0104180996 Baku TURAN in English 1310 GMT 1 Apr 96

[FBIS Transcribed Text] Baku/01.04.96/TURAN—Next [as received] round of the Armenian-Azeri relations ended in Moscow. As usual the negotiations were held with mediation of the Russian-Finnish co-chairmanship of the OSCE Minsk group.

"The results of the present round, just like of the previous ones, are modest enough," TURAN was told by representative of the Foreign Ministry of Russia. According to him, "intensive diplomatic work carried out on the eve of the talks gives ground for more optimistic forecast."

"Of course, we did not rely on wonder. But we hoped that this time the sides will be more constructive and ready to achieve compromise on key problems of the resolution of the conflict," the diplomat said. He noted that expectations of mediators did not come true.

At the present stage, the representative of Foreign Ministry considers, the sides keep such positions which do not allow to obtain progress at the talks.

Azerbaijan: Iranian Official Leaves After Talks on Consular, Legal Ties

LD0204061896 Tehran IRNA in English 0609 GMT 2 Apr 96

[FBIS Transcribed Text] Baku, April 2, IRNA — The visiting Iranian deputy foreign minister for consular and parliamentary affairs, Mostafa Morsali, here Monday said that Tehran and Baku have approved the outlines for legal and consular cooperation.

Speaking in a press conference here yesterday, he added that joint cooperation on border security, providing greater customs facilities, extradition of criminals and drug campaign were among major topics discussed with the Azeri officials.

Joint commissions will be formed to remove the existing border and consular problems between the two countries, he told reporters.

Meanwhile, in a meeting between Morsali and the head of Azeri Supreme Court, Tehran-Baku legal and judiciary cooperation were reviewed.

In a separate meeting Morsali yesterday met Azeri head of Supreme Economic Council in which problems of Iranian tradesmen were discussed.

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Morsali wound up his three-day visit to the Republic of Azerbaijan and returned home Monday.

Azerbaijan: Aliyev Ponders Caucasus Politics, Karabakh

964F1650A Moscow SEGODNYA in Russian 22 Mar 96 p 5

[Interview with President of Azerbaijan Geydar Aliyev by Andrey Perovskiy in Baku; date not given: "I Thought That Nakhichevan Was My Final Refuge"]

[FBIS Translated Text] [begin box] Russia's relations with other republics of the former USSR at times prove to be very complex. Much depends on the leaders of the new states and on how firm their positions in their own countries are. President of Azerbaijan Geydar Aliyev has taken control of the entire machinery of one of the most "clan-dominated" post-Soviet republics and has begun very confidently to pursue his own policy, relying on the local elite, with many of whose representatives he is familiar from Soviet times. Despite the fact that in recent years there has been no shortage of political upheavals in Azerbaijan, the opposition has not yet impeded the president in the pursuit of his policy. Our correspondent talked with Azerbaijan's president at his Baku residence about the reasons for his political longevity. [end box]

"There are more than 40 political parties in Azerbaijan at this time, the majority of which are of the opposition. More than 600 various newspapers are published. If this state of affairs may be considered the "elimination of democracy," which is how some members of the opposition view my reform policy, their charge is then justified."

[Perovskiy] Several years ago the majority of observers were sure that Geydar Aliyev's political career was over....

[Aliyev] Leaving the Politburo in 1987 on account of serious disagreements with the USSR leadership, with Gorbachev personally included, I could not even have imagined that I would return to big politics. When, at the end of 1990, I was barred from living in Baku, I found refuge in Nakhichevan. A very difficult situation had come about there in 1991—the autonomous republic was blockaded. The people held public meetings for several days in the streets, demanding that I take charge of the Supreme Soviet, and I agreed. Work began. Our lives were not without difficulties but they were, in any event, more or less peaceful. The Government of Turkey allocated Nakhichevan credit of $500 million. And I thought that Nakhichevan would be my final refuge. But the struggle for power intensified in June 1993 in Baku, and the republic found itself on the brink of civil war. President Abulfaz Elchibey then turned to me—he himself had been unable to extricate the country from crisis and was no longer in control of the situation. I did not need this "good fortune" but I then decided that it would be wrong to remain aloof. I flew to Baku and I believe that I was able to defuse the situation and avert a civil war, which had essentially already begun. A day after I had assumed my duties as chairman of the Azerbaijan Supreme Council, unfortunately, Elchibey secretly left Baku and has since that time been in the village of Kyaleki in Nakhichevan. I was on my own.

[Perovskiy] On whom did you intend to rely, having returned to power?

[Aliyev] I had not brought in and had not prepared any team of my own. Nor do I have my own political structure, although prior to being elected president, I was head of the Yeni Azerbaijan (New Azerbaijan) party. But I know my republic well, although I had left it back in 1982, and the generation of leaders has changed in this time. Generally, I now work with the competent people here on the spot.

[Perovskiy] The opposition accuses you of adhering in personnel policy to the "personal devotion" principle and of preferring not professionals but "proven people," friends, and even relations.

[Aliyev] All those appointed to executive state office prior to me continue to hold these positions still. I exclude, naturally, Suret Guseynov and his associates and the Dzhavadov brothers, who attempted a coup d'etat, and also those who left office voluntarily. So there is no question of any "Nakhichevan clan" in the republic leadership. Since you have spoken of the opposition, permit me to remind you that there are more than 40 political parties in Azerbaijan at this time, the majority of which are of the opposition. More than 600 various newspapers are published. If this state of affairs may be considered the "elimination of democracy," which is how some members of the opposition view my reform policy, their charge is then justified.

[Perovskiy] What is the reason for the opposition to your return to politics on the part of the former leadership of the republic?

[Aliyev] The answer, you know, is there for all to see. I am sufficiently well informed as to who is behind this and who is attempting to create an "atmosphere of discontent." The majority of them are people whom I had formerly promoted. Ayaz Mutalibov, let's say. Back in the 1970's Mutalibov started out as a rank and file plant engineer and director of a refrigerator plant. Then with my assistance he became second secretary of Baku's Narimanovskiy Rayon party commit-

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tee, and somewhat later, minister of local industry, then chairman of the State Planning Committee, and, finally, first deputy chairman of the republic Council of Ministers. This was his rapid ascent, I having set the ball rolling. There was even the following unpleasant business. When Mutalibov was director of the plant, the USSR Procuracy instituted criminal proceedings against him. The reason was the manufacture of defective products and large-scale embezzlement. They even wanted to arrest him. But a Union government official called me from Moscow and told me about this. After my intervention, the Union procuracy agreed to conduct an investigation without the arrest of the plant director. Now this person has gathered around him all who to this extent or the other are culpable before the Azerbaijani people and justice.... To be honest, these people do not merit this much talk about them. Sooner or later, they will have to answer for their crimes before the law and their people.

[Perovskiy] Which factors do you consider the most important for the formulation of state policy?

[Aliyev] We are negotiating a very complex period of the formation of independence. Don't consider this trite but all the former republics of the USSR were closely interlinked in all spheres, particularly in the economy, and the severance of ties that occurred following the separation of the republics has proven very painful. In addition, Azerbaijan is switching from a socialist economic system with its specific laws and its own principles to a free market economy. This is a lengthy and difficult process. See, for example, how hard it is proving in Russia. Finally, the third factor that has greatly complicated the socioeconomic position of Azerbaijan is the war. It has lasted eight years now, more than 20 percent of the republic's territory is occupied by Armenia, and still approximately 1.5 million persons are in the position of refugees. These people have lost everything.

Azerbaijan, of course, has great economic potential. The subterranean resources, primarily oil, industry, agriculture, labor resources. But the above-mentioned processes are impeding its efficient use. All forces and resources are being expended on extricating people from the onerous economic situation and also on defense needs.

[Perovskiy] The restoration of ties between former Soviet republics is the main objective of the CIS. Do you consider that this structure is accomplishing this objective?

[Aliyev] I would not say that the CIS has already taken shape and is operating efficiently. The result, in my opinion, is that at the time of the meetings of the heads of state, which usually last one and a half to two days, there is, seemingly, a union, in the intervals between them, there seemingly is not. Very active measures are needed to ensure that the CIS begin to operate like similar international organizations.

[Perovskiy] Perhaps interstate institutions of power are needed for this?

[Aliyev] I do not consider this expedient. Such an approach could signify a revival of the unified state and, consequently, an infringement of national interests.

[Perovskiy] What, in your view, are the causes and consequences of the Karabakh conflict?

[Aliyev] When it all started, Azerbaijan was part of the Union. I believe that the Union leadership could have prevented an expansion of the conflict, but did not do so. Azerbaijan is now fighting a war to preserve its territorial integrity. But this whole time we have persisted with attempts to resolve the conflict peacefully. Some things have been done, and a cease-fire agreement has, after all, been in effect since 10 May 1994. Negotiations are currently under way. It is possible that some agreement will finally be reached. But provided that the Armenian armed elements liberate all the captured territories outside of Nagornyy Karabakh proper.

[Perovskiy] Do you agree with the current claim that Russia still has no unified political concept on the Caucasus?

[Aliyev] It is hard for me to say if Russia has some clear-cut position or not, no one knows for sure what goes on inside the power structures of another state. But I believe that the Caucasus is a very complex region and that the activity of the Russian Federation here should be better considered and thought through. It seems to me that Russia should formulate an identically even approach to all states of the Transcaucasus. A bias in the direction of one republic could lead to complications and, ultimately, to a loss of the authority of Russia's leadership among inhabitants of the region. There should today be, I repeat, a very well considered approach, regardless of, say, the religious factor or historical preferences.

[Perovskiy] How do you evaluate the present relationship between Moscow and Baku?

[Aliyev] There are no insoluble problems between us, on the whole. Could it be otherwise? Our people have no interest in creating difficulties on this question. Although at the level of power structures anything can happen. Before I assumed office in Baku, a different policy was pursued, and relations with Russia were very cool and simply difficult at times even. But there has

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been a change of course. At the present time we are establishing relations in the financial sphere: I consider a big step forward here the recent opening in Baku of a Russian subsidiary of the Most-bank, whose functions will include interstate settlements also. We now have a good relationship not only with your Ministry of Foreign Affairs but with President Yeltsin also. We maintain the closest ties: We meet quite often and discuss on the telephone current matters requiring our mutual intervention.

The accomplishment of the majority of objectives—from the development of the oil shelf to the loyalty of the Muslim population of the North Caucasus republics—is by definition impossible without cooperation with the Baku authorities. This is a diplomatic axiom in no need of proof. But policy means not only the need in certain instances to abide by an axiom but, unfortunately, an ability also to be cynical and put state interests above sympathies or antipathies. Obviously, it is possible to cooperate with other Baku authorities also. But there are no others nor, by all accounts, will there be in the immediate future. Statesmen are simply required, it might seem, to assume the job of cooperating with the Aliyev government on all matters. But no! Some involvement in an attempt to cultivate an "alternative" leader of a sovereign state, from the criminal environment into the bargain, puts this diplomacy, which leaves much to be desired as it is, in the unambiguous position of a bull in a china shop. How futile and even dangerous this is from the viewpoint of state interests there's no need to say—turn to history.

Georgia

Georgia: Shevardnadze, Grachev Discuss Military Cooperation

LD0104160296 Moscow ITAR-TASS in English 1526 GMT 1 Apr 96

[By Tengiz Pachkoriya, Anatoliy Yurkin]

[FBIS Transcribed Text] TBILISI, April 1 (ITAR-TASS) — Georgia today made clear its stance on a number of important issues, including plans for having a navy of its own, cooperation with Russia in the military field and on conflict with Abkhazia.

The Georgian President, visiting Russian Minister of Defence and spokesmen for Russia and Georgia talked to the press on a variety of subjects of interest and concern for Moscow and Tbilisi, as well as beyond the two capitals.

Georgia as a former Soviet republic is entitled to have at least a few ships of the former Soviet Black Sea fleet as its own, Russian Minister of Defence told journalists here today after a closed-door meeting with President Eduard Shevardnadze.

"This right and desire of Georgia's is quite fair on the whole," Russian Minister of Defence Pavel Grachev told a press conference in Tbilisi on Monday.

Grachev told journalists that in the course of the conversation behind closed doors, President Shevardnadze had told him about his country's desire to have its own navy in the future.

Grachev explained that questions relating to the transfer to Georgia of some of the vessels of the Black Sea Fleet would be discussed in detail at a later date.

For Georgia to have a navy of its own, it must create required infrastructure, including piers, control systems and other vitally important installations, he said.

As concerns other problems discussed between the Russian Minister of Defence and the President of the republic of Georgia, it transpired that they dealt with military cooperation between the two countries and further actions designed to settle the conflict between Georgia and Abkhazia.

As regards cooperation in the military field, more than 20 agreements on military-technical and military cooperation between Georgia and Russia were expected to be signed in Tbilisi on Monday and Tuesday, according to Colonel-General Viktor Barynkin, deputy chief of the general staff of the Russian armed forces.

"Russian-Georgian cooperation in the military field is distinguished by the spirit of friendship and mutual understanding," the Russian Minister of Defence told a joint session of the boards of the Russian and Georgian defence ministries in the government residence of Krtsanisi today.

His Georgian counterpart, Lieutenant-General Variko Nadibaidze declared at the session that the Armed Forces of Georgia had reached their present level thanks to support by Russian colleagues. "Russo-Georgian military cooperation yields positive results," he said.

As concerns the Abkhasian conflict, press secretary of the Georgian President Vakhtang Abashidze disclosed only that groups of Russian and Georgian military experts had worked hard in recent days in Tbilisi, including on Monday, discussing matters relating to proposed changes to the mandate of the Russian peacekeeping forces in the Abkhazian conflict zone.

Also on Monday, Georgia made clear its attitude to Russian President Boris Yeltsin's proposals for the settlement in Chechnya. Georgian President Eduard Shevardnadze welcomed the new peace initiatives of

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Russian President Boris Yeltsin," Vakhtang Abashidze, the press secretary of the Georgian President, told Itar-Tass on Monday.

Shevardnadze stressed the specific character of Yeltsin's plan and pointed out that Georgia was particularly interested in the establishment of peace and stability in Chechnya for many reasons, one of them associated with the extensive Chechen stretch of the border between Russia and Georgia.

Georgia: Nadibaidze, Grachev Sign Military Cooperation Documents

LD0104161996 Tbilisi First Program Television Network in Georgian 1500 GMT 1 Mar 96

[FBIS Translated Text] Russian Defense Minister Pavel Grachev began his working day today by meeting the Georgian president. The state chancellery disappointed the journalists who gathered outside the Ministry of Defense this morning by announcing that the meeting had been held behind closed doors.

After the meeting, the delegation went to the Krtsanisi government residence, where the Georgian and Russian defense ministers signed military cooperation documents. After the signing ceremony, the ministers held a joint news conference.

Vardiko Nadibaidze said that today is a historic day. We signed nine documents, and it is an extremely important event, he said.

Grachev said that the peacekeeping forces [in Abkhazia] had their mandate extended until June 1996. As for the Georgian side's request to give them policing powers, according to the UN charter, it could not be done. The mandate had been agreed and would be finally confirmed at the next meeting of CIS foreign ministers.

Answering a question about his assessment of the situation in Chechnya, Grachev was brief, saying: Today is such an important day for Georgia that you should be less interested in Chechnya.

On the situation in Abkhazia, Grachev said: I do not think that anyone can justify Abkhazia's actions.

Grachev was puzzled by a question about his plans to visit Abkhazia, asking where this information had come from. Even my journalists [as heard], who sometimes attend rather confidential meetings, have little information about my plans to visit Abkhazia. I wonder how you learned about it, he said.

It is still unclear whether or not the Russian defense minister will visit Abkhazia, but it can be stated with confidence that his visit to Georgia is beneficial to us.

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